



Daily Report

Central Eurasia

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ITAR-TASS Carries Press Review for 4 Jul
LD0407075795 Moscow ITAR-TASS in English
0626 GMT 4 Jul 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW July 4 (ITAR-TASS) — The talks in Grozny between the Russian and Dudayev delegations is the major topic in today's Moscow-based newspapers.

IZVESTIYA takes a pessimistic view of the talks and of their prospects so far. A week has passed but the talks virtually did not get going, it laments. Touching upon the reached accord on a disarmament mechanism, the newspaper points out that, if truce is not observed, there can be no question of a declared disarmament.

KOMSOMOLSKAYA PRAVDA shares this view.

"The signing of a package of military accords, including a moratorium on combat actions, only suspended Russian troops' advance on the mountainous areas of Chechnya."

The newspaper believes that with the planned continued stay of two Russian brigades — the Interior Ministry and the Defence Ministry — "the operation to eliminate bandit formations" will obviously go on, just as retaliatory actions by those militants who are not part of Chechnya armed forces.

KRASNAYA ZVEZDA takes an optimistic view of the state of affairs at the talks.

"There are no grounds to suppose that Dudayev men's position on the 'zero option' is final and irrevocable," the newspaper points out. Its opinion is that this option may enable Dudayev to participate in elections, the outcome of which is far from being clear.

ROSSIYSKIYE VESTI carries an interview with Doku Zavgayev, chairman of the Supreme Soviet of the former Chechen-Ingush Republic.

Zavgayev has accused the former Russian Parliament of conniving with the Dudayev regime. He described former Speaker of the Russian parliament Ruslan Khasbulatov as the regime's "spiritual tutor." Zavgayev's opinion is that the Chechens turned out to be hostages of Dudayev who "tried to portray the character of his actions as the attitude of the Chechen people."

Many newspapers comment on the settled conflict between the Executive and Legislative branches of power in Russia.

ROSSIYSKIYE VESTI believes that there are no vanquished in this duel. The radical opposition has reaffirmed its opposing character, the premier has shown

his readiness for a dialogue with the State Duma while pro-government factions have demonstrated their support for the government.

KRASNAYA ZVEZDA notes that the settled crisis signified rather serious events to the state but they in themselves do not guarantee positive changes either in the sociopolitical or economic life of the country, still less in the strengthening of law and order.

TRUD perceives one of the major results of the peaceful resolution of the crisis in the fact that there has appeared a "realistic constitutional mechanism to overcome a crisis of power — without assaults on television and firing on parliament and without decrees of questionable legality."

ROSSIYSKIYE VESTI maintains that the clout of the Executive and Legislative branches of power is ready to get away from them to the Central Bank of Russia (CBR). The newspaper carries an article to this effect in the run-up to the CBR chief confirmation hearings due to be held in the State Duma on July 5.

The newspaper is of the opinion that, in the light of the forthcoming parliamentary and presidential elections and the formation of a revamped government, the CBR remains the only powerful state institution which can influence not only the course of the election campaign but also the outcome of elections by using its already developed system of control over commercial banks. Therefore, it is so important that the CBR be headed "by an honest person with a statesmanlike mentality who will take a position as if above the scuffle."

ROSSIYSKAYA GAZETA runs an interview with Mikhail Poltoranin, chairman of the State Duma Committee on Information Policy and Communications.

Poltoranin comments on the situation concerning the newspaper. He believes that the newspaper presents a broad spectrum of opinions and that "members of parliament have no complaints about it."

"Instead, criminal entities do harbour grievances against the newspaper because it castigates mafia and those who assist it," Poltoranin maintains. He believes that a large-scale purge of media personnel is being prepared in the interests of 'one political grouping' and that attempts are being made to subject ROSSIYSKAYA GAZETA to such a purge.

TRUD writes about the reaction of people in Stavropol Territory to the presidential decree on the territorial governor's dismissal. The newspaper describes the reaction as a "vigorous protest." People in Stavropol Territory practically with one accord rose to the defence of the governor, the newspaper said.

IZVESTIYA comments on a Moscow Charter, adopted by the Moscow Duma, separating the powers between Moscow as a subject of the Federation and Moscow as a city having its own, local government.

PRAVDA runs an account of the 30th congress of the Union of Communist Parties—CPSU.

Press Review for 5 Jul

LD0507080895 Moscow ITAR-TASS in English
0436 GMT 5 Jul 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW July 5 (ITAR-TASS) — Leading Russian newspapers continue to centre on the Chechen events.

The IZVESTIYA newspaper reports that the third round of talks between the Russian delegation and representatives from separatist leader Dzhokhar Dudayev ended before the scheduled time. Russian representatives flew to Moscow for consultations with the federal leadership.

The daily sees the reason for a sudden disruption in the refusal by the Chechen president to agree to the zero version, under which the present and previous leaderships of the republic will resign before elections scheduled for November 5, following which a new coalition government made up of representatives from all Chechen political forces will be formed.

Commenting on the results of the talks, the army newspaper KRASNAYA ZVEZDA writes that the sides, in actual fact, remained on the initial positions: "Moscow insists on Chechnya's sovereignty as part of the Russian Federation. Its opponents in Grozny demand absolute sovereignty for the republic".

In the newspaper's opinion, such an approach by the Chechen delegation and Dudayev is utterly unacceptable for Moscow. In this connection, "it is worthwhile to think seriously how to free Dudayev's supporters from

a delusion that they can dictate their conditions at the talks".

"Only firmness and consistency, buttressed by readiness for reasonable compromises, will make Dudayev's representatives reckon with Russian interests at the talks in Grozny," the daily concludes.

The ROSSIYSKIYE VESTI newspaper writes that the Russian Constitutional Court will start examination of "Chechen interpellations" by members of the lower and upper houses on July 10. Several presidential decrees and government decisions will be examined for their constitutionality.

"The adoption of decisions by the military in Chechnya, which are similar to emergency measures in the conditions when a state of emergency is not imposed, is the most serious question to be encountered by participants in the hearings," the newspaper believes.

The problem of the factual status of the Chechen republic will undoubtedly rise during the examination of this issue: whether the republic was or was not a member of the Russian Federation when a decision on the dispatch of federal troops there was taken."

The KOMSOMOLSKAYA PRAVDA newspaper carries an interview by premier Viktor Chernomyrdin. The cabinet head writes that "the industrial slump has been arrested on the whole. Our economy starts working to set off losses of past years for the first time since 1992".

IZVESTIYA writes about growing struggle for the post of the Russian Central Bank governor. Incidentally, the State Duma plans to examine on Wednesday the question on approving Tatyana Paramonova at this post.

According to the newspaper, legislators have quite a number claims to her. "A decision of deputies will be considerably influenced by their dissatisfaction with the Central Bank's passivity in protecting deposits of physical persons at commercial banks," the daily claims.

Grachev on Funding for Joint U.S. Exercises

LD0407144995 Moscow *ITAR-TASS World Service*
in Russian 1332 GMT 4 Jul 95

[By *ITAR-TASS* correspondent Anatoliy Yurkin]

[FBIS Translated Text] Moscow, 4 Jul (*ITAR-TASS*) — Joint Russian-American peacekeeping exercises in America are causing Russia financial difficulties, but these will be overcome, Army General Pavel Grachev, head of the Defense Ministry, believes. Addressing officers in the antiaircraft missile regiment of the air defense forces today, he said that in his Moscow meeting with U.S. Secretary of Defense William Perry they discussed topical problems relating to the forthcoming return peacekeepers' exercises.

The maneuvers will be held in the United States in October, and the theme will be peacekeeping. According to Pavel Grachev, they are like the exercises held last year at the Totskoye test site in Orenburg Region. There will be 250 servicemen from active service units and 100 support personnel taking part on the Russian side. "As spending on staging these exercises was not included in the general military budget for the year, our experts proposed that we should not take part in them, but the decision was later made to take part," Pavel Grachev said.

Recognizing Russia's economic position, the Americans suggested that the Russian servicemen be transported to the United States in military transport aircraft from the place where the peacekeeping division is stationed via Alaska directly into the exercise area. According to Pavel Grachev, the Russian Defense Ministry did not agree to this proposal, as \$300,000 and 100 million rubles would be needed for the transport of personnel alone.

"We came to this conclusion: we will prepare for the exercises and will stage them at the scheduled time, but we will cut back the number of participants to 150. Experts have been set the task of calculating the economic cost of transporting our peacekeepers to Alaska using their own transport, and onward by U.S. military transport planes. All continuing expenses after that will be fully undertaken by the American side," Grachev said.

This is acceptable to the Russian side. According to Pavel Grachev, it cuts expenditure back considerably and makes staging the exercises realistic.

Joint U.S. Exercises To Be Held Near Hawaii

LD0407165695 Moscow *ITAR-TASS in English*
1123 GMT 4 Jul 95

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, July 4 (*ITAR-TASS*) — Joint Russo-American exercises will be held in the area of the Hawaii, U.S., in September. Naval ships of the Pacific fleet will take part in the exercises from the Russian side. Pavel Grachev, the Russian Defence Minister, announced this on Tuesday. He is now inspecting centrally-controlled air-defence units situated in the Moscow region and air-defence units of the Moscow military district.

Grachev said the exercises will be devoted to the 50th anniversary of the ending of World War II.

Perry, Kohl Dampen Polish NATO Membership Hopes

MM0507101795 Moscow *IZVESTIYA in Russian*
4 Jul 95 p 3

[Report by Vladimir Mikhayev: "NATO Keeps Poland Waiting Again"]

[FBIS Translated Text] U.S. Defense Secretary William Perry, who was on an official mission to Warsaw last week, involuntarily dampened the expectations of those who had thought that Poland's membership of the NATO military-political bloc would virtually happen tomorrow.

On the one hand, Perry assured them, the Clinton administration intends to build up NATO and "Poland will be among the first states to join the enlarged alliance."

On the other hand, the "Partnership for Peace" program — on which, in Perry's view, all efforts should be focused, since NATO membership is expected to come about "several years in the future" — is now a reality.

In order to ease the disappointment, the secretary recalled that President Clinton, commander in chief of the U.S. Armed Forces, requested \$100 million for the next fiscal year, which begins in October, for the "Partnership" participants. And the most impressive prize — \$25 million — will go to Poland.

Apart from this, the timetable lays down that the Polish military will be able to take part in 11 joint exercises, including a "business game" on U.S. territory called "natural cooperative."

Nonetheless, local journalists started tormenting Perry: Have not the priorities of the Clinton administration —

which seemed to have proclaimed a plan for "accelerating" the integration of Poland, the Czech Republic, Slovakia, and Hungary into NATO at the Budapest summit — changed? They have also been quoting the opinion of the influential Senator Sam Nunn, who voiced fears at the recent Norfolk seminar that NATO's eastward expansion could complicate relations with Russia, "which has the most extensive opportunities for nuclear weapons proliferation."

One other pause for thought was provided by the interview given to Polish TV last Sunday by FRG Chancellor Helmut Kohl. According to Kohl, the process of involving Poland in NATO affairs should be "linked to the examination of the question of its membership of the EU."

Nobody should have the right to veto Poland's membership of NATO, but it is necessary, Kohl added, to take account of "Russia's security interests." This is important "in the light of the complex relations between the three countries historically."

The chancellor opposes the erection of "new walls" which would be moved from the "German-Polish border to the Polish-Russian border."

For Warsaw the linking of NATO and EU membership could mean a long period of marking time, since the talks on EU membership will only start in two years' time at best.

Following the dual statements from Perry and Kohl, Warsaw is already suspecting that Poland will be kept waiting for some time to join NATO.

U.S. Warned Not To Interfere in Kaliningrad

*LD0407170195 Moscow ITAR-TASS in English
1615 GMT 4 Jul 95*

[By Vladimir Suprun]

[FBIS Transcribed Text] MOSCOW July 4 (ITAR-TASS) — A series of draft resolutions directly or indirectly affecting Russia's interests have been motioned in U.S. Congress over the recent months, says a statement from the Russian Foreign Ministry dispatched to ITAR-TASS today.

In particular a draft resolution of the House of Representatives demands "demilitarisation" of the Kaliningrad region and transfer of it under government by some international body.

It has to be repeated, the statement says, that the Kaliningrad region is a component, inalienable part of the Russian Federation.

The American congressmen would hardly like a foreign proposal of demilitarisation of a U.S. territory, for instance, Alaska, the statement says.

The statement expresses hope that Congress will be above situational, pre-election motivation and understand that pragmatic partnership with Russia is in the interests of the United States, while the attempts to interfere in internal affairs of other states have a two-edged character.

Chernomyrdin-Gore Commission Outcome Assessed

MM0507103395 Moscow IZVESTIYA (Financial Section) in Russian 4 Jul 95 p 1

[Report by Aleksey Portanskiy: "Gore and Chernomyrdin Disagree on Russian Uranium Price"]

[FBIS Translated Text] During the fifth session of the Russo-U.S. Intergovernmental Commission, held last week and chaired by Premier Viktor Chernomyrdin and Vice President Albert Gore, noticeably fewer conflicts arose than before, Financial IZVESTIYA was told by the Russian side's senior secretary — Nikolay Drozdov, Russian Federation deputy minister of foreign economic relations.

Among the 20 documents signed over the two days, the most important is the agreement to divide up production under the "Sakhalin 1" project. The joint development of oil and gas fields in the northeast part of the Sakhalin Shelf envisages \$15 billion in investment, which is an order of magnitude higher than total foreign investment in Russia since reform began. A special consortium comprising Russia's "Rosneft-Sakhalin" and "Sakhalinmorneftegaz-Shelf" companies and America's Exxon Neftegaz Ltd and Sakhalin Oil Development Cooperation Inc. has been set up to implement the project. The first well is scheduled to be sunk at the start of the 1996 season.

One of the most complex cooperation issues (on which mutual understanding has been reached but no result achieved as yet) is the sale to the United States of Russian weapons-grade uranium. We would recall that this promising deal was struck in Moscow at the start of last year. Over the next 20 years the United States would buy from Russia 500 tonnes of highly enriched uranium at the rate of 10 tonnes a year for the first five years and at 30 tonnes a year thereafter. Moscow would earn \$12 billion as a result.

But even at the initial stage of implementing the deal the Americans decided to lower the price for our commodity. The price differences that emerged turned out to be very complex and unusual. The fact

is that under the agreement the Russian side processes weapons-grade uranium into slightly enriched uranium to be used for fuel in nuclear power stations and as an internationally tradable commodity. We would then like the finished product to enter the U.S. market — but this is not yet happening because in 1991 the United States slapped an antidumping duty of 116.4 percent on Russian uranium, virtually halting our shipments.

To all intents and purposes the price of the end product will include the initial costs of producing the highly enriched uranium and then the costs of converting it into its slightly enriched form. But in a "one buyer-one seller" situation the former can be tempted to pressure the latter to his own advantage — the Americans want either to pay us a lower price for the finished product or to defer payment.

It will be impossible to use any existing international-law mechanisms to solve the problems presented by this deal. There is just the basic imperative of implementing the agreements on eliminating nuclear weapons in the former USSR. One of the tasks of the "Gore-Chernomyrdin" commission is to move the issue from the political level to the economic level.

Back in 1993 President Clinton promised President Yeltsin that the necessary work would be done in Congress to eliminate the legislative provisions banning trade between the two countries that had become redundant following the end of the Cold War (there were more than 200 of them at the time). Answering a Financial IZVESTIYA question about current barriers to trade and economic relations between the United States and Russia, Vice President A. Gore admitted that the United States still has difficulties in this area. In particular, the famous Jackson-Vanik amendment — which, as Gore stressed, President Clinton is trying to abolish — has still not been repealed. At the same time, A. Gore noted the "enormous growth" in Russian exports to the West and the United States over the past few years. Washington, he also added, intended to make every effort to ensure Russia's speedy admission to the World Trade Organization.

Viktor Chernomyrdin and Albert Gore also announced that the question of Russia's participation as a founder-country in a new export-control organization (in connection with the abolition of the Coordinating Committee for Multilateral Export Controls — A.P.) had been finally agreed, and, moreover, Moscow would be joining the Missile Technology Control Regime.

Gore-Chernomyrdin Meeting Seen Shadowed by Iran Deal

*MK0507132095 Moscow DELOVOY MIR in Russian
5 Jul 95 p 1*

[Report by Rostislav Gertsev under the "Chernomyrdin-Gore" rubric: "No Complete Satisfaction Felt"]

[FBIS Translated Text] "The 'Chernomyrdin-Gore' joint venture has yielded a steadily growing profit after half a year" — this humorous statement by Russian Premier Viktor Chernomyrdin at the press conference on the results of the fifth session of the Russian-U.S. Intergovernmental Commission on Economic and Technological Cooperation has been noted by all mass media. And if one assumes that in every joke there is...some humor indeed, one can agree with this statement. But one can also presume that neither of the commission's cochairmen was fully satisfied with the results of the meeting.

What was "positive" there? Some 21 documents on joint projects in the areas of energy, space, conversion, and nuclear materials proliferation control were signed. The most important of them was the "Sakhalin-1" agreement (a \$15 billion project) on the procedure for production sharing when developing oil deposits. As V. Chernomyrdin said, some progress was attained in finding the solution to the problem of mutual opening of markets, and of a rise in trade and investments; and a final agreement was reached on the question of Russia's participation, as a constituent state, in the new international regime of export supervision and its joining the international of Missile Technology Control Regime.

U.S. Vice President Albert Gore, on his part, said that Washington supports Russia's desire to become integrated into the world economy and intends gradually to eliminate factors hampering the penetration of Russian goods into the U.S. market. It sounds nice, but these promises — for instance, regarding the abolition of the notorious Jackson-Vannik amendment — are being repeated year after year, remaining, alas, virtually unfulfilled.

A good illustration of the words on the commission's efficient activities was the successful docking of the U.S. Atlantis with the Russian Mir. (Incidentally, it seems likely that not only bad weather, but also "good timing" considerations — which we had regarded as specific only to this country — caused delays in launching the shuttle from Cape Canaveral). Not everything, however, docked well on those days. Serious differences again emerged at least on one problem.

This problem is the construction of a nuclear power station by Russia in Iran. Gore once again said that

the United States is ready to submit to Russia, on a confidential basis, some information which would immediately justify U.S. suspicions that Iran would be able to create its own nuclear weapons using Russian technologies. Chernomyrdin once again promised to examine the U.S. arguments very carefully and gave his own arguments, having been prepared by the Atomic Energy Ministry: The deal is of a completely peaceful kind, and has nothing to do with Iran's nuclear program.

Incidentally, the opinion of the Russian side is being shared also by the chief world institution supervising the use of nuclear materials — the International Atomic Energy Agency (IAEA). IAEA General Director Hans Blix, who is on a visit to Moscow, said that he sees no grounds for any concern. In his opinion, Iran's participation in the treaty on the nonproliferation of nuclear technologies can serve as an international security guarantee. In addition, the IAEA is ready to supervise closely the Bushehr nuclear power station, which is to be constructed with Russia's participation.

Two things have to be recalled in this connection. First, the old truth says that nobody wants to have a deal with a partner who has proved unable to fulfill his promises. And, second, the embargo imposed by the United States on trade with Iran (which was not backed by U.S. partners in the West, despite strong pressure exerted) has quite significantly affected the interests of U.S. business circles.

In any case, both commission heads decided that this matter requires a separate talk. Probably still another joke by our premier — which was highly appreciated by the U.S. Vice President — was also quite correct: We have put off all of the most difficult issues to the next meeting.

Minister Foresees No Need for U.S. Grain Imports

LD0307114695 Moscow INTERFAX in English
1033 GMT 3 Jul 95

[FBIS Transcribed Text] MOSCOW, July 3 (INTERFAX) — Russia's Agriculture and Food Minister Aleksandr Nazarchuk has said he informed U.S. Secretary for Agriculture Dan Glickman at the June 29-30 Chernomyrdin-Gore Commission that Russia "so far will not purchase U.S. grain in a centralized fashion."

Nazarchuk told INTERFAX Monday that "given proper state support" Russia's agriculture will be able to produce 80-85 million tonnes of grain this year against the 81.3 million tonnes last year.

Nazarchuk found it difficult to name Russia's exact grain requirements, in as "the country harvested over 11 million tonnes of grain (116.7 million tonnes in

1990) and that was not enough." "Everything depends on the structure of crops and how much cattle we intend to breed," he added.

According to his ministry's forecast, in 1995 Russian agriculture will produce only 91% of last year's cattle and poultry figures, 89% of milk and 94% of eggs. Livestock will shrink by 5%, including cows by 6%, pigs by 11%, sheep and goats by 9% and poultry by 6%.

If Russia "does have to" import grain in 1995, it will be done "through a tender, on a competitive basis," Nazarchuk said. He added Yugoslavia has offered Russia 1 million tonnes of grain.

Kozyrev, IAEA Director Discuss Nuclear Cooperation

LD0407190695 Moscow ITAR-TASS in English
1814 GMT 4 Jul 95

[By Yuriy Kozlov]

[FBIS Transcribed Text] MOSCOW July 4 (ITAR-TASS) — Russian Foreign Minister Andrey Kozyrev today met director general of the International Atomic Energy Agency Hans Blix, who is on a visit in Moscow.

Russia wants the cooperation in the nuclear area to strictly conform to international standards set by the International Atomic Energy Agency (IAEA), Kozyrev said.

This cooperation is a direct alternative to nuclear proliferation and benefits all states, Kozyrev said.

Russia wants the IAEA to build up its efforts and seek new possibilities for the strengthening of guarantees of non-proliferation and promoting the cooperation in civilian nuclear programmes, Kozyrev continued.

He said Russia would hail IAEA control of Russia's plans to build nuclear reactors in Iran, India and other countries.

Kozyrev recalled the recent initiative of President Yeltsin at the Halifax summit of the political G-8 to hold a nuclear security conference in Moscow in the spring of the next year.

He voiced hope that the IAEA would support that important initiative which met with a backing from G-7 leaders.

On the whole, the agreement on termless extension of the Nuclear Non-Proliferation Treaty (NPT), which the New York conference yielded, will give momentum to the disarmament process, setting new, more important tasks for the IAEA, Kozyrev said.

He said the deepening relations between Russia and the West held out the promise that new nuclear threats will be successfully managed by joint efforts.

Blix highly appraised the results of the New York NPT conference.

He said the conference's resolution is increasingly taking on the character of an international pact on global denuclearisation.

Signatories in the pact are 180 non-nuclear states which took obligations not to create nuclear weapons and nuclear states which support disarmament.

With the NPT and START-2 in the background and prospects of new non-proliferation agreements, there is the hope that the nuclear disarmament process will gain greater momentum in the nearest years, Blix said.

Offers To Supervise Iran Construction

LD0307123995 Moscow *ITAR-TASS World Service*
in Russian 1044 GMT 3 Jul 95

[By *ITAR-TASS* correspondent Veronika Romanenkova]

[FBIS Translated Text] Moscow, 3 Jul (*ITAR-TASS*) — The International Atomic Energy Agency (IAEA) is prepared to supervise the construction of the nuclear power station in Bushehr, Iran, which is to be built with the help of Russia. The *ITAR-TASS* correspondent was told this today by IAEA Director-General Hans Blix. Full-scale observation of the nuclear power station by the IAEA, and also Iran's joining the Treaty of Non-Proliferation of Nuclear Technologies, could in his opinion serve as a guarantee of international security.

The Russian-Iranian agreement on construction of a nuclear power station and delivery to Iran of Russian reactors for it is causing concern to the United States which fears that Iran will use the station to develop nuclear weapons. This question was examined in Moscow on 30 June by Prime Minister Viktor Chernomyrdin and U.S. Vice President Albert Gore, after which it was stated that some questions still require discussion.

The day before the meeting Russian Minister for Atomic Energy Vyacheslav Mikhaylov stressed that a nuclear power station in Iran with two or four sets will be built, but Russian supervision of the work will possibly be increased. The IAEA is also ready to undertake such supervision, according to today's statement by Hans Blix.

Hans Blix is in Russia on a five-day visit to discuss questions of the safety of Russian nuclear power engineering. Today he inspected the system of audit and stock-taking of fissile materials being demonstrated at

the Russian Federation Ministry of Atomic Energy. Hans Blix plans to have talks with leaders of the Ministry of Atomic Energy and he will visit the federal nuclear center at Arzamas-16 and the Physics and Power Engineering Institute in Obninsk.

No Traces of 'Military Programs' in Iran

LD0307201495 Moscow *INTERFAX* in English
1949 GMT 3 Jul 95

[FBIS Transcribed Text] MOSCOW, July 3 (*INTERFAX*) — International Atomic Energy Agency (IAEA) experts who checked Iran's nuclear installations did not find traces of developing "any military programs" in the country. Neither did they "find any deviations in the use of nuclear materials," IAEA Director-General Hans Blix told a news conference in Moscow Monday [3 July].

The agency's experts checked Iran's nuclear installations twice lately, but they failed to find any traces of military programs, he said.

However, Blix said he did not consider as interference in the internal affairs of Russia and Iran the U.S. opposition to the contract between the two countries on the construction of a nuclear power plant in Bushehr. "Such contracts must be open to the public, since it is the matter of nuclear safety for many countries," he said.

According to Blix, Russia and the U.S. are holding talks on the contract with Iran now, at which they are discussing the issue of selling enriched uranium and, possibly, technologies for its enrichment to the country. What adds complexity to the issue, says Blix, is the present existence of restrictions on selling nuclear materials or technologies for their production. There were no such restrictions when the Russian-Iranian contract was signed.

According to the Russian Atomic Energy Ministry, the contract, signed in early 1995 and worth \$800 million, provides only for the delivery, installation, and the adjustment of the necessary equipment and for the starting of the nuclear power plant's first VVER-1,000 type reactor by the year 2000.

1994 Plutonium Case 'Frame-Up'

LD0307161995 Moscow *ITAR-TASS* in English
1519 GMT 3 Jul 95

[By Veronika Romanenkova]

[FBIS Transcribed Text] MOSCOW, July 3 (*ITAR-TASS*) — The year-old sensation over the discovery at Munich airport of plutonium fuel of alleged Russian origin was a frame-up of German intelligence services,

director of the International Atomic Energy Agency (IAEA) Hans Blix told reporters on Monday [3 July].

The investigation did not confirm the fact that the plutonium had been made in Russia, however it is impossible to identify the producer country, Blix said.

The IAEA director pointed out that cases of stealing radioactive substances have become more frequent in many countries.

In Russia, it may be linked to the country's switching to another regime of control over nuclear facilities, Blix said.

Earlier, appropriate storage of nuclear material was guaranteed by strict discipline, whereas now legislation has become the main restraining factor.

As a result, the control level at civil atomic objects is not as high as it should be. However, steps are being taken to improve the situation, Blix stressed.

Radioactive smuggling was on the agenda of the current meetings between the IAEA director and officials from the Russian Ministry of Atomic Energy.

The IAEA is determined to cooperate with Russian experts in this field, as well as in the field of radioactive waste treatment, control over nuclear non-proliferation, and nuclear safety.

The IAEA director is discussing these problems with Russian officials during his five-day long visit to Russia.

Blix observed a new Russian-American system for control over radioactive substances on display in the Russian Ministry of Atomic Energy.

The IAEA director is scheduled to have talks with the high-ranking officials from Russian Ministry of Atomic Energy.

He is also expected to visit the federal atomic centre in Arzamas-16 and the energetic institute in Obninsk, south of Moscow.

Kozyrev 'Concerned' Over Reinforcements in Bosnia

LD0407144295 Moscow ITAR-TASS World Service in Russian 1347 GMT 4 Jul 95

[By ITAR-TASS diplomatic correspondent Valeriy Sevryukov]

[FBIS Translated Text] Moscow, 4 Jul (ITAR-TASS) — Russia is concerned at various reports of plans to strengthen the military presence in Bosnia, which could be interpreted as a deviation from the UN peacekeeping mission and as turning the international forces into a

party in the conflict, Russian Foreign Minister Andrey Kozyrev said here today.

"Everyone, our German friends included," he commented, "who at this specific moment and in this specific conflict is considering bringing in fresh contingents, should consider the historical facts and again reflect on the expediency of hastily sending additional contingents to Bosnia. In any event, no actions should be taken which could alter the character of the UN forces' peacekeeping operations in Bosnia."

All such talk or plans do not so much instill realism in the actual participants in the conflict as encourage their bellicosity, Andrey Kozyrev emphasized. This relates to the Muslim Croat side, which is currently carrying out offensive actions, and we consider these should cease immediately. This relates also to the Bosnian Serbs, who are persisting in their stubborn refusal to accept a peace plan.

The answer to settling this problem lies unambiguously in the political, not the military domain, the minister underscored.

Kozyrev on Wisdom of German Contingent in Bosnia

MK0507074095 Moscow SEGODNYA in Russian 5 Jul 95 p 2

[Report by Vladimir Abarinov under the "Diplomacy" rubric: "Kozyrev Advises German Friends To Weigh Consequences. In His Words, Their Operation in Bosnia Could Support One of the Sides in Conflict"]

[FBIS Translated Excerpt] Russia is worried about plans for a stronger military presence in Bosnia, especially the plans that may appear as a transition from a peacekeeping operation to an operation of support for one or both sides in the conflict. This was stated yesterday by Russian Federation Foreign Minister Andrey Kozyrev in answer to your SEGODNYA correspondent's question on Moscow's attitude to the participation of a German military contingent in the rapid reaction forces.

"All who now contemplate new contingents, including our German friends, will do well to weigh once again the wisdom of this step precisely in this specific moment, precisely in this conflict, taking into account the historical backdrop," the minister said. In his opinion, such plans only "encourage the belligerence" of conflict participants. Moscow thinks, Kozyrev added, that the offensive actions of the Muslim side should be halted. The Bosnia-Serbia side, for its part, ought to agree with the peace plan. [passage omitted]

Foreign Minister Addresses Asia-Pacific Conference

LD0407085595 Moscow ITAR-TASS in English
0816 GMT 4 Jul 95

[By Dmitriy Gorokhov, Yuriy Kozlov and Vladimir Solntsev]

[FBIS Transcribed Text] MOSCOW, July 4 (ITAR-TASS) — Russia is striving for partnership relations with all countries of the Asian-Pacific region [APR] and for full-scale participation in the regional integrational processes, Russian Minister of Foreign Affairs Andrey Kozyrev told a conference of Russian Ambassadors to APR countries that opened in Moscow today.

He announced that President Boris Yeltsin during their conversation a day before stressed the priority of the Asian-Pacific direction and set the Minister tasks aiming to step up Russian diplomatic activity in the region, particularly from the point of view of protecting and promoting Russia's economic interests there.

The Foreign minister said Russia was eager to participate in all multilateral mechanisms in the Asian-Pacific region, including the Organisation of Asian-Pacific Economic Cooperation.

"The Organisation will not be able to perform its role further without Russia's full-scale and equitable participation," Kozyrev said.

The Minister added that as Russia regains economic stability and continues reform, its entry to the Asian-Pacific markets will become an increasingly notable factor in the region.

The conference called to compare notes between the Centre and Russia's plenipotentiary envoys to the countries in the Asian region, one of Russia's top priority directions, is attended by Ambassadors and other high-ranking Russian diplomats working in more than 30 countries of the Asian-Pacific region. This is the first conference devoted to the Asian-Pacific region to be held by the Russian Ministry of Foreign Affairs on this scale.

The first part of the conference was held with the participation of the Ambassadors from Asian countries to Russia and the media.

Minister Kozyrev then announced that further discussion which will cover not only regionwide partnership but also the development of relations between Russia and individual countries would be held behind closed doors.

Cited on Tajik Peacekeeping

LD0407113395 Moscow ITAR-TASS in English
1045 GMT 4 Jul 95

[By Dmitriy Gorokhov, Yuriy Kozlov, and Vladimir Solntsev]

[FBIS Transcribed Text] MOSCOW, July 4 (ITAR-TASS) — Russian Foreign Minister Andrey Kozyrev today called on the United Nations to "be more active in sharing with Russia the burden of peacekeeping" in Tajikistan.

"Unfortunately, negotiations on this matter, the raising of the question about the United Nations' activity and the sharing of the burden has been running against resistance in the Security Council," Kozyrev said in his address to the conference of Russian Ambassadors to countries in the Asian-Pacific region.

"I would like to believe that this resistance is not due to double standards or somebody's idea of the residual character of Asian problems," Andrey Kozyrev said.

According to him, the costly peacemaking operations conducted by Russia in Tajikistan with a CIS mandate and with the participation of some other CIS member-countries and entailing loss of life, deserves a much greater support and recognition on the part of the world community. Without the efforts of Russia and its CIS partners, the zone of instability would have covered the entire region and the vast expanses of Central Asia, Kozyrev stressed.

The Minister added that the firm choice confirmed by the government of Tajikistan and the Commonwealth member-countries consists in the continuation of the process of political settlement of the internal conflict through negotiations which are being conducted with the participation of the United Nations.

Russia will continue to assist the development of this dialogue and hopes for a full understanding and a still more active support by the world community.

Comments on Border Treaty With PRC

LD0407110895 Moscow ITAR-TASS in English
1004 GMT 4 Jul 95

[By Yuriy Kozlov]

[FBIS Transcribed Text] MOSCOW July 4 (ITAR-TASS) — Russian Foreign minister Andrey Kozyrev assured China on Tuesday [4 July] that Moscow is strictly observing the border treaty with Beijing despite objections from Russian Far Eastern authorities.

"Our neighbours should have no doubts about that", he told a meeting of Russian ambassadors to Asian and Pacific rim countries.

"It is undoubtedly necessary to take into consideration the regional interests, but not to the detriment of the state policy", Kozyrev said referring to the criticisms from Far Eastern regional authorities who object the border deal.

The minister praised Russian-Chinese ties saying "there emerged and is maintained a new level of relations of trust and a rhythm of their development".

Kozyrev admitted there were problems in promoting trade and economic relations between the two countries to the level of world standards, but called not to "dramatise certain setbacks in trade as there is a general tendency towards a growth".

Speaking on Russian relations with Asian and Pacific rim countries in general, Kozyrev said that Moscow views none of them as a potential adversary.

"Russia has vital interests in the region. The goals of its policy is to develop mutually advantageous, partnership and good-neighbourly relations with all states of the region without exclusions, to ensure by political means a reliable security in the eastern direction".

The minister said Russia had ensured strategic partnership with a number of states in the region, mostly with the USA and Canada, and is working to promote the same partnership with China, India, South Korea.

He expressed hope that relations with Japan, which are now stumbling over the territorial dispute between the two countries, would also improve.

"We would like that the same level is characteristic of our relations with other neighbours, especially with Japan the relations with which have not yet exhausted the potential of a positive development", Kozyrev said.

With Australia, New Zealand and other South Pacific states "the dialogue is gradually developing and there is a reserve in political and economic spheres", according to the minister.

"We share the anti-nuclear moods in that region", Kozyrev stressed.

The minister called on Asian and Pacific countries to invest in the enormous market of the Russian Far East. "I would like to hope that the coming century of Asia would be a century of economic and social progress. Russia, its Far East and Siberia are an enormous field for investments and mechanisms of economic cooperation are to be worked out", he said.

IZVESTIYA Views Trade Status With PRC

MM0507111295 Moscow IZVESTIYA in Russian
4 Jul 95 p 3

[Report by Vladimir Skosyrev: "Why Siberians Want Yuan"]

[FBIS Translated Text] Harbin — "Buy from me, buddy, you won't regret it," said a Chinese trader in almost perfect Russian. On his stall were Soviet-made binoculars, and on a pole beside the stall hung "Zenit" cameras.

I had begun to take some pride in the fact that Russian equipment — albeit not state-of-the-art — had penetrated the Celestial Empire's market, but my illusions were shattered by a countryman from Blagoveshchensk by the name of Borya. Regularly visiting Harbin with shopping tours, he had concluded that there was no point in bringing Russian goods here to sell. A couple of years ago our watches, tools, coats, and optical equipment were highly sought-after. Russian peddlers managed to sell them. But fashions have changed since then.

Items that were really successful — such as "Komandirskiye" watches — have begun to be produced by the Chinese themselves and are sold as Russian-made. The other things are left over from the period when border trade was flourishing, back in the early nineties. Which is why Borya goes there not with goods, as he used to, but with wads of "greenbacks" to buy mainly clothing and footwear.

In short, despite the tarnished reputation of Chinese consumer goods, they are still being brought into Russia, and hard currency is correspondingly being taken out of Russia. And nobody knows the exact size of these shuttle operations. They are assumed to be of the order of \$500 million a year.

But if the Chinese have outwitted us when it comes to small-scale trade, the picture is different when it comes to large-scale trade that is tracked by customs authorities. The Russian side is in the black in this area. Last year Russia ran a surplus of almost \$2 billion against an overall trade turnover figure of \$5.1 billion. Our raw materials, ferrous metals, machinery, and equipment continue to be in great demand. You would think that all we had to do would be to build up exports and take advantage of the rapidly growing Chinese economy.

Georgiy Myslin is the Harbin representative of the "Ryabina" Corporation of Novosibirsk. It was set up during the perestroika era under the patronage of Academician Abalkin by military plants which, because of secrecy, were unable to establish direct ties with

foreign countries. The idea has proved its worth, Myslin says. Several plants, operating independently or through "Ryabina," have successfully sold their products to China. We are not talking about military equipment — that is a "Rosvooruzheniye" monopoly — but civilian output.

But we do not know whether this profitable avenue of cooperation has much of a future. First, it is now more costly to ship equipment from Siberia than it is to produce it. Second, our Chinese partners, who owe our enterprises large amounts of dollars, are unable to repay those debts. Yes, the economic situation in China is that the private and mixed sectors are expanding rapidly, while most large state enterprises — particularly here in the northeast of the country — are operating at a loss. It turns out that holdups in the Chinese boom have rebounded on several Novosibirsk plants.

Myslin is trying to cut through this problem. Currently his major task is to rapidly buy and supply frozen meat for Siberian canning plants. There is plenty in China, but a shortage in our country. This was how they thought up an ingenious formula which the writer of "Das Kapital" himself probably never even dreamed of. The debtors will pay off their "arrears" not in dollars but in yuan, and those yuan will be used to buy and ship meat to Siberia; it will be canned and sold abroad, and the rubles will be converted into dollars, which will go into the plants' accounts. It is not an ideal solution, of course, but nonetheless the conflict is being defused.

Around 50 Russian industrial associations and companies have opened offices in China apart from "Ryabina." If they can successfully conclude contracts for the shipment of goods from their own plant, this will be a rare success. They are mostly having to handle trading operations which have nothing to do with their enterprises' main role.

But when will those better times be forthcoming? I talked with directors of major power equipment plants from Yekaterinburg, Novosibirsk, Barnaul, and Taganrog who were visiting China. "We are facing competition here from world-famous firms such as Siemens, Westinghouse, and Hitachi. These firms enjoy the support of their governments, which grant the Chinese credits to order their equipment. After all, without credits there would not be any customers for turbines, furnaces, and other products which take several years to cover their costs. Isn't it time our state started helping our machine-builder exporters?" they said. Barter deals are no longer popular among the directors, but it is not possible to abandon them completely, since the Chinese are very unwilling to

spend dollars on our products, while they can exchange yuan for rubles on the quiet.

Kozyrev Hails Finnish Foreign Minister's Visit

*LD0407160295 Moscow ITAR-TASS in English
1304 GMT 4 Jul 95*

[By Valeriy Sevryukov]

[FBIS Transcribed Text] MOSCOW, July 4 (ITAR-TASS) — The Finnish Foreign Minister's visit to Russia is greatly appreciated by Moscow because Suomi is our traditional partner with whom we develop solid goodneighbourly relations, Russian Foreign Minister Andrey Kozyrev told the press after talks with Tarja Halonen here today.

According to Kozyrev, the development of bilateral relations between the two countries is characterised by "dynamism", evidence of which can be seen in the forthcoming visit of the Prime Minister of Finland to the Russian capital in July.

"We want to derive maximum benefit for both our countries from Finland's membership of the European Union, we are concomitantly working to prevent any possible negative effects of this step on our bilateral relations," the Russian Minister said.

Kozyrev and his Finnish counterpart discussed ways of making easier the terms of cooperation, including through milder treatment at border checkpoints, as well as taxation and tariffs.

Special attention was given to subregional cooperation because both states are members of the Council of the Barents sea and the Council of the Baltic states.

The results achieved in these two directions encourage closer cooperation between the two countries in strengthening their regional institutions.

Tarja Halonen noted that she saw evidence of the continuing development of the Russo-Finnish relations in all spheres in the fact that her talks in Moscow dealt mainly with practical issues.

She stressed the importance of the successful handing over of the post of the President of the Council of the Barents sea by Finland to Russia in October because the success of further collaboration between the two countries depended on the move in no small degree.

Kozyrev on Foreign Investment, Halifax Summit

*LD0507104695 Moscow INTERFAX in English
0924 GMT 5 Jul 95*

[FBIS Transcribed Text] MOSCOW, July 5 (INTERFAX) — Russian Foreign Minister Andrey Kozyrev

doubts the expediency of Russia seeking further foreign credits.

Addressing the opening ceremony of a one-day meeting of the Council for Russian Foreign Policy in Moscow on Wednesday [5 July], he voiced the opinion that the Russian Federation "has enough domestic reserves. If we manage to create conditions for investment of domestic capital and its return from abroad, this will exceed many times all the credits which will have to be paid back anyway, even if with restructuring. If we continue to receive more credits, we might face a rather large debt."

Summing up the G7 summit in Halifax, Canada, attended by Russian President Boris Yeltsin, Kozyrev stressed its outcome was marked by "major Russian foreign policy successes and international recognition of the fact that we have progressed a lot."

"The question what to do with Russia in order to prevent it turning into a vast space of poverty, that was asked several years ago, is no longer raised. This question is now only asked inside Russia," said the minister.

At the same time, he noted that the final statement of the Halifax summit "does not fully reflect the Russian interests. But this is the nature of a compromise."

Kozyrev bluntly refuted the suggestion that the "political eight" is a club where Russia only has a bench rather than a chair. "Such a claim is objectively incorrect, and this is the qualitative difference between the Halifax summit and the previous meetings. The political eight is not an invitation for lunch and even not a conversation about Russian reforms, but a serious discussion of all international problems in which Russia is an equal participant," said Kozyrev.

'Ambivalence' Seen in EU Approach to Russia

MM0307144995 Moscow PRAVDA in Russian
1 Jul 95 p 3

[Report by Vladimir Peresada: "No Major Milestone. Western Europe Facing Integration Problems"]

[FBIS Translated Excerpts] Brussels, 30 June — The conference of European Union [EU] state and government heads in Cannes is unlikely to go down in history as a major milestone. Essentially none of the decisions made there is distinguished by the presentation of major new tasks or by the final settlement of existing problems. That is the opinion of a number of experts I talked with at the EU headquarters here.

In fact, in many respects the summit merely tidied up the conclusion that had been reached by the preceding ministerial conference, while the most important of

the actual Cannes decisions, including the question of relations with Russia, bear the marks of uncertainty and ambivalence. [passage omitted]

Finally, Russia. It was agreed in Cannes to sign a provisional economic agreement with Moscow, which is a kind of prologue to the earlier major treaty on bilateral partnership. As is known, the agreement faced a red light owing to the Russian invasion of Chechnya, and its replacement with a green light was conditional on four points: a cease-fire, the start of a political dialogue between the sides, guaranteed access to Chechnya for humanitarian aid, and the presence there of an OSCE [Organization of Security and Cooperation in Europe] mission. While noting some "progress" on Moscow's part, the conference said that its agreement depended on "confirmation" of this progress. What if, for example, a cease-fire, once reached, proves unsound, and political dialogue, once begun, starts to falter? This often happens in conflict situations, therefore the ambivalence of the EU's decision is obvious. Despite the formal "yes" in Cannes, the agreement with Russia effectively remains hostage to the Chechnya problem.

Lukin Questions Council of Europe on Admission

MM0507090695 Moscow KRASNAYA ZVEZDA
in Russian 4 Jul 95 p 3

[Report by ITAR-TASS correspondent Igor Shchegolev: "Moscow Has Carried Out All the Conditions. But Strasbourg Has Not Noticed"]

[FBIS Translated Text] Strasbourg, 3 July — The position of the Council of Europe Parliamentary Assembly with respect to Russia generates surprise and makes you wonder whether it is worth continuing to have dealings with this organization. This opinion was expressed by Vladimir Lukin, leader of the Russian parliamentary delegation and chairman of the Russian Federation State Duma Committee for International Affairs, in an interview with your ITAR-TASS correspondent.

He recalled that at the beginning of 1995 the Council of Europe Parliamentary Assembly had suspended Russia's application to join the Council of Europe because of the Chechen crisis, promising to review it only when a cease-fire had been implemented, talks on a political settlement had started, and elections in Chechnya had been announced. According to V. Lukin, Russia has carried out all these conditions, but you get the impression that the Assembly has not noticed or does not want to notice the positive changes in the situation in Chechnya.

"The question arises, why does the Assembly react so quickly to negative changes in Russia, and so slowly

and unwillingly to the positive ones," he remarked. If this is a question of inefficient work, then Russia should join this organization and strengthen it. But if this is a question of an anti-Russian stance, then is it worth joining, the head of the Russian Federation delegation said.

Russia's chances of achieving an examination of the question of its joining the Council of Europe soon have obviously been reduced following the publication in Strasbourg of a report on the violation of human rights in Chechnya since January 1995. This was prepared by a delegation of the Council of Europe Parliamentary

Assembly which visited Moscow and the North Caucasus in the period 4 through 11 June of this year. The document contains a substantial number of complaints against the Russian Federation federal authorities and to a lesser degree against Dudayev's gunmen, as well as recommendations on how to rectify the situation. "Until these recommendations are carried out by both warring sides, the situation in the sphere of human rights in Chechnya cannot be deemed acceptable or satisfactory," the Council of Europe Parliamentary Assembly commission on human rights and legal questions, which approved the report, is stressing.

Political Issues

Yeltsin, Chernomyrdin Discuss Talks in Grozny

LD0507095195 Moscow ITAR-TASS World Service
in Russian 0914 GMT 5 Jul 95

[By ITAR-TASS correspondents Oleg Velichko and Andrey Shtorkh]

[FBIS Translated Text] Moscow, 5 July (ITAR-TASS) — "Boris Yeltsin and Viktor Chernomyrdin are discussing a personnel matter and the Russian position at the peace talks in Grozny." ITAR-TASS has been told by a well-informed source in the Kremlin.

In the course of Viktor Chernomyrdin's half-hour meeting with the members of the Russian delegation, held before the prime minister's meeting with the Russian president, the conviction was expressed that the talks in Grozny can be brought to their logical conclusion, the source said. It was emphasized, in particular, that going beyond the Russian constitutional framework was unequivocally ruled out as part of the process of a peaceful settlement in Chechnya and that the issue of a possible alteration in the status of the republic should not be raised.

Members of the Russian delegation think that Dzhokhar Dudayev's representatives "do not reject talks and do not see themselves as being outside this process."

In the course of the meeting an opinion was expressed that at times unchecked information in the press about the situation in Chechnya "creates not only an impression that allegedly large-scale combat operations are continuing, but that the number of people dying during the peace talks is almost greater than was the case during the period when active combat operations were being carried out."

Yeltsin Not To Meet Representatives

LD0507094595 Moscow ITAR-TASS World Service
in Russian 0909 GMT 5 Jul 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 5 July (ITAR-TASS) — Boris Yeltsin, president of the Russian Federation, and Viktor Chernomyrdin, prime minister of the Russian Federation, are meeting to discuss the Russian side's strategy and tactics at the talks with the representatives of Dzhokhar Dudayev in Grozny on a peaceful settlement of the Chechen conflict, ITAR-TASS correspondent was told by Sergey Medvedev, press secretary of the head of the Russian state. He also said that no meeting is expected to take place today between Boris Yeltsin and the members of the Russian delegation at the talks in Grozny.

Early this morning Arkadiy Volskiy and Vyacheslav Mikhaylov, the representatives of the federal authorities in Grozny, had a meeting with Prime Minister Viktor Chernomyrdin in the Government House. After half an hour's consultations, Chernomyrdin went to the Kremlin where, at a one to one meeting with Boris Yeltsin, an all-round discussion is taking place about the course of the talks on a peaceful settlement in Chechnya and where the Russian stance is being finally agreed.

According to the press secretary there is no need for the Russian president to have a meeting with Arkadiy Volskiy and Vyacheslav Mikhaylov at the present time. After the first round of the talks in Grozny, Boris Yeltsin met with the members of the Russian delegation and had a detailed discussion with them about how the talks were going and the tactics to be adopted during them.

Chernomyrdin on Regrouping of Dudayev Supporters

LD0307123295 Moscow ITAR-TASS in English
1113 GMT 3 Jul 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, July 3 (ITAR-TASS) — "I shall immediately join the peace talks in Chechnya as soon as it becomes necessary for me to take part in them," Russian Prime Minister Viktor Chernomyrdin told ITAR-TASS here today. "The time has now come when the negotiations process has acquired the necessary tempo and we have no right to make any mistakes. We must display great self-control," he added.

Asked by ITAR-TASS whether there were any grounds for the fears of the military that Dudayev's men were using the armistice to regroup their forces, Chernomyrdin said: "It will be worse for those who are regrouping". The premier stressed that those supporters of Dudayev, who are set on continuing the war, must realise that there will be "no second negotiations". We again urge everybody to complete the negotiations and stop all the war. The other principal task is to hold free elections in Chechnya at the end of the year so that the Chechen people could themselves elect the power they want — the people who want peace and wish well to the republic.

The Russian premier talked to journalists during the opening of the reconstructed Yaroslavskiy railway station of the capital.

Chernomyrdin: Talks 'Last Chance' For Settlement

LD0307142495 Moscow INTERFAX in English
1220 GMT 3 Jul 95

[FBIS Transcribed Text] MOSCOW, July 3 (INTERFAX) — "The current peace talks between the federal power bodies and Chechen representatives in Grozny are the last chance for a political settlement to the Chechen crisis, there will be no other chance," Russian Prime Minister Victor Chernomyrdin said in response to an INTERFAX question while visiting the reconstructed building of the Yaroslavl railroad terminal in Moscow on Monday.

In his words, "the negotiations are progressing, and neither side must make a mistake. There is a need for more restraint and genuine striving for a peaceful settlement to the problem."

Chernomyrdin hopes that Chechen armed units will not use the moratorium on hostilities in Chechnya introduced for the period of negotiations for regrouping their forces and hardware. "It will only be worse for those who decide to use the moratorium for these purposes," he warned.

The premier confirmed his readiness to join the negotiations when "the talk's participants reach the verge of a decision."

He said he views the meeting between Volskiy and Dudayev, held early this morning, as "normal".

Yeltsin Orders Permanent Troop Deployment in Chechnya

LD0407161995 Moscow ITAR-TASS in English
1448 GMT 4 Jul 95

[FBIS Transcribed Text] MOSCOW, July 4 (ITAR-TASS) — Russian President Boris Yeltsin issued a decree today, sanctioning permanent deployment of Russian troops in Chechnya.

The decree says the troops will be stationed in Chechnya on a permanent basis to ensure political and military stability, and protection of Russia's territorial integrity.

Presidential press secretary Sergey Medvedev in his comment for ITAR-TASS said any movements of army units within Russia are Russia's internal affair.

"Of course, a sign of equality must not be put between military administration organs, institutions and organizations of the armed forces, and the troops which are waging combat," Medvedev said.

Enlistment departments, commandant's offices and army units must be in place in Chechnya's entire territory, Medvedev continued.

He said the Dudayev regime ousted all those organs and troops from Chechnya, and in doing so often acted in a barbarian manner, humiliating Russian soldiers.

The president's decree reestablishes a status-quo, Medvedev said.

The Grozny talks are continuing and have chances to succeed, the presidential spokesman said.

He voiced hope that political efforts would reestablish peace in Chechnya, if not rapidly.

Grachev on Troops' Permanent Posting

LD0407123195 Moscow ITAR-TASS World Service
in Russian 1032 GMT 4 Jul 95

[By ITAR-TASS correspondent Anatoliy Yurkin]

[FBIS Translated Text] Moscow, 4 July (ITAR-TASS) — "Russian military units will shortly be returning to Chechnya for permanent stationing," Russian Federation Defense Minister Pavel Grachev stated today, completing his tour of inspection of units of anti-aircraft defense units in the Moscow region.

A motorized infantry division is to be deployed in Chechnya with a number of auxiliary units and subunits of internal troops. A border guard commandant's office and military administration bodies — military commissariats — will also start operating, Pavel Grachev said.

The decision of the leadership of the Russian Federation Defense Ministry to send the subunits back to Chechnya for permanent stationing was taken on the basis of the edict signed by the president today. The document envisages the deployment of military subunits and organizations of the Armed Forces of the Russian Federation on the territory of the Chechen Republic.

At the present time the Joint Group of Federal Forces of the Russian Ministry of Defense is stationed in Chechnya. Its strike force is the 58th Army of Lieutenant General Gennadiy Troshev. The Army Staff, forming part of the forces of the North Caucasus Military District, is located in Khankala, a suburb of Grozny. Moreover, forming part of the group are the 106th Composite Regiment of Marines, the 166th (Tver) Separate Guards Motorized Infantry Brigade, and a number of other subunits.

Today a spokesman of the Information and Press Administration of the Ministry of Defense of the Russian Federation said in a conversation with the ITAR-TASS correspondent that the situation in Chechnya does not yet permit all units and subunits of the Russian army to have permanent places of stationing.

Grachev on Problem of Basayev

LD0407133995 Moscow INTERFAX in English
1227 GMT 4 Jul 95

[FBIS Transcribed Text] MOSCOW, July 4 (INTERFAX) — Russian Defense Minister Pavel Grachev told journalists during his tour of air defense units in the Moscow region Tuesday that he hoped for the peace-settlement talks in Grozny to succeed.

Grachev said he was "quite positive" about the Grozny talks, because "it is impossible to wage warfare alone without solving the issue with political means."

At the same time, he stressed that pro-Dudayev militants used the truce to re-group and to renew their ammunition supplies. He did not exclude the possibility that this could be for preparing a new offensive on federal troops. "If this does not happen, it will be Russian diplomacy's success," he added.

Grachev doubted that Chechen gunmen leader Shamil Basayev who committed a terrorist act in Budennovsk with his group last month was staying in Chechnya. "To my mind, it is from him that all further trouble will come. This field commander spilt much blood and even if the Chechnya crisis is solved in a peaceful way, it will not affect Basayev's views. He will still support warfare," he said.

As Grachev put it, "if in Budennovsk the issue of Basayev and his gang had been solved, the situation in Chechnya would have been significantly stabler and political settlement would be easier to deal with."

Speaking on the possibility of more Budennovsk-like terrorist acts, Grachev said: "I do not think any other of the Chechen field commander is capable of such a large-scale terrorist act."

Grachev: Peace Talks Allow Militants To Regroup

LD0407150995 Moscow Russian Public Television
First Channel Network in Russian 1400 GMT 4 Jul 95

[From the "Vremya" newscast]

[FBIS Translated Text] Russian military units will be returning to Chechnya soon to be permanently stationed there. Russian Defense Minister Pavel Grachev said that a motorized infantry division with a number of auxiliary units and subunits of the internal troops will be deployed in Chechnya. A border guard commandant's office and military administration bodies — military commissariats — will also start operating there.

Assessing the talks in Grozny on a peaceful settlement, Pavel Grachev said the following to our correspondent: [video shows Grachev standing outside a building surrounded by several militarymen]

[Begin Grachev recording] As a military person, I see that this political issue of a peaceful settlement is to some degree a respite for the remaining bandit formations. It allows them to regroup and accumulate their forces and bring in fresh ammunition in order to start military actions after a certain period of time. This is what we are forecasting. If this does not happen, it will be a great success of our diplomacy, of course. [end recording]

Shumeyko Interviewed on Resignations, Elections

LD0307225195

[FBIS Editorial Report] Moscow Russian Television Network in Russian at 1625 GMT on 3 July on the "Details" program carries an 10-minute interview with Russian Federation Council Chairman Vladimir Shumeyko by Nikolay Svanidze.

Svanidze begins by saying: "On 1 July, the parliament-government crisis was successfully resolved, as a result of which two power ministers, one vice premier and one governor were thrown overboard. The Duma managed to salvage the cabinet of ministers, the president — everyone, in fact, with one exception — the Federation Council." This fact he attributes to the chairman of the upper house, Vladimir Shumeyko.

First, Svanidze asks: "What do you think the reasons are for the fact that from, [pauses] let's say, the Duma recommended that Grachev and Yerin should be retired. In the end, Yerin and Stepashin were dismissed."

Shumeyko replies: "I may appear cynical to some, but it is not so important to retire someone; it is very important to appoint the next person to the post. So I think that the president did not take it upon himself to resolve the matter single-handedly in this particular instance. Instead, he put the matter to a vote in the Security Council. He needs the vote as a certificate, as the opinion Security Council members about whether he is right or wrong in his subsequent contemplated actions regarding dismissal. He put each one individually to the vote. The question was decided. It's a different matter that it did not coincide with the president's decision. As for the defense minister, both the Duma campaigned for his dismissal and a certain number of Security Council members voted..."

Svanidze interrupts to ask: "How did you vote?"

Shumeyko continues: "Well, I voted in favor of the defense minister's resignation — I make no secret of it. The president did not agree. Obviously, he acted as the president should have acted. First, in my view it's not so important, perhaps, that the punishment should fit the degree of guilt. What is important is not to destroy

the whole national security system in one go, especially since — whatever we say — the army is, anyway, the foundation of the national security system. The army first and foremost, and then all the other services.

"The reorganization of the army is probably the most difficult, the most serious question. There is good reason why people have the most to say about army reform and talk about it longer than anything else. There is good reason why the army has so far been subjected to minimal change, if you've noticed, apart from the trimming of its budget."

Turning to Chechnya, Svanidze asks: "The current talks in Chechnya are very important. What part is the Federation Council playing in them? Why is there no Federation Council representative at the talks? Who are the parties to the talks, both on one side and on the other?"

Shumeyko replies: "Well, you see, why is the Federation Council not involved in the talks? The talks are crucial. The talks must be carried out. All the conditions must be strictly carried out. Why were we always looking to see who would conduct the talks on their side? They should have been conducted by people who were responsible for their decisions and could carry them out. On this side, on our side, if I can put it like that, on the federal side, I mean, the talks are being conducted by the government. And that's quite right because there are no issues that go beyond the bounds of government. The Federation Council deals with the question of a state of emergency and martial law — neither of these applies. The Federation Council deals with the question of the use of troops, but only on foreign territory. The Chechen territory is Russian territory, our own territory. The Federation Council deals with the question of borders. There are no border issues there. The Federation Council deals with the question of the status, let's say, of a component..."

Svanidze interrupts to ask: "Isn't Chechnya a component of the Federation?"

Shumeyko replies: "Yes, it is." He continues: "But in this particular case, the talks are purely governmental, and you know the main element in the talks. The main element, in my view and in everyone else's view, is the elections. Elections must be held in Chechnya. For the elections to take place, there must be the right conditions — a cease-fire, a troop withdrawal and no more military operations, the return of all refugees, and the necessary rehabilitation of the economy."

And then the elections will take place, at the end of the year, let's say — democratic elections, in accordance with the constitution and supervised, elections of which

there can be doubt as to the result. Only after the holding of these elections, when two representatives from Chechnya are present, with full rights, in the Federation Council, as you rightly say, may there then appear other elements — concerning a treaty between the federal level of power and Chechnya, for example.

Svanidze says that the Federation Council seems to be overshadowed by the State Duma, which attracts more media coverage. He asks Shumeyko whether he would not prefer to be more of a "public politician."

Shumeyko replies that he already feels in the center of events. There is plenty to do in the Federation Council, he says, and, in any case, he prefers the Council's more sedate atmosphere to the Duma's posturing. "As for my personal public standing, as you put it, now everything is, I suppose, focused on the elections in the Duma, on the elections there, on the blocs which will contend there. I do not belong to any bloc and will not be entering one. I cannot join any party, nor will I."

"But as for the subsequent public nature, as it were, of my policies, well, it's not all over yet, as they say. It's not the last elections."

Svanidze tries to clarify this remark: "You mean that there are still the presidential elections ahead?"

Shumeyko answers: "Yes, I have already spoken about that. The point is that... you understand... [pauses]. Who is a presidential candidate? I read the papers today, and lists are published in them with the caption - 'Which of the presidential candidates will you be voting for?' There isn't actually a single candidate. The law on presidential elections has already been signed by the president and published, and the presidential elections will proceed only in accordance with that law and nothing else. So — to become a presidential candidate, any citizen who has reached a certain age and is resident in Russia has to secure the backing of at least one million Russian signatures. If Ivanov, Petrov, or Sidorov have a million signatures, then they are candidates. If they haven't got a million signatures, then they are not candidates."

As for declaring what one would like, anyone can make a declaration. When the moment comes for collecting signatures...[pauses]. Many people say this. I won't hide that either. I visit the regions. I talk to people, to the leaders, and so on. They say: When the time comes for collecting signatures, we will collect them for you. I say: There's no question of collecting them. If a million are collected, I will become a presidential candidate, and it will then be clear whom I have to fight, who else is running, and then we will make our decisions."

Svanidze asks whether Shumeyko would declare his intentions to Yeltsin. Shumeyko responds: "Well, you see, of the people who are candidates today, the current president, Boris Nikolayevich Yeltsin, is more of a presidential candidate than anyone else, in one way or another. But he is the only one who can't say so. He simply cannot say that. He will say that, obviously, at the last moment. When the last day is virtually over, in accordance with the law, then he will say so. Because if today he says in a conversation with you: 'Yes, I shall be a presidential candidate and will fight according to the law,' then from now on all his words will be interpreted as an electoral campaign. Everyone will write off his decisions as electioneering. If he says: 'I will not be taking part in the presidential elections,' from then on the administration and much else will stop functioning. Because how is one to work with a president who is not going to be working much longer? And so on. In that respect, he is encumbered as a candidate.

"I have no restrictions of that sort. I can say whatever I like. But I'm a pragmatist. I am also a completely different sort of person. What's the point of talking today about something that doesn't yet exist. We need to hang on until the time is ripe. I'll say once more: If I become a candidate in accordance with the law, I'll fight whoever the other candidates are," Shumeyko concludes.

Grachev on Shumeyko's Vote for Dismissal

LD0407163995 Moscow INTERFAX in English
1521 GMT 4 Jul 95

[FBIS Transcribed Text] MOSCOW, July 4 (INTERFAX) — Russian Defense Minister Pavel Grachev said he is not overly troubled over Federation Council Chairman Vladimir Shumeyko voting for his resignation at the National Security Council meeting of June 29.

He told journalists that every council member is entitled to his own views.

This was Grachev's comment on Shumeyko's televised remarks that he had voted for Grachev's dismissal.

Grachev said that it is President Boris Yeltsin in his capacity of the supreme commander-in-chief who makes a final decision. "He felt that at least today my resignation will do no good and suggested I should continue as defense minister," Grachev explained.

Sources close to the National Security Council say that Yeltsin, Shumeyko, Prime Minister Viktor Chernomyrdin and Federal Border Guard Service Andrey Nikolayev voted for Grachev's dismissal.

Acting Chiefs Abramov, Safonov Profiled

MK0407103095 Moscow SEGODNYA in Russian
4 Jul 95 p 2

[Unattributed report under the "Acting" rubric: "Acting MVD and FSB Chiefs Appointed"]

[FBIS Translated Text] It transpired yesterday, that, in accordance with the internal rules of the Ministry of Internal Affairs [MVD], the duties of Viktor Yerin, who has resigned, are being performed by his first deputy Yevgeniy Abramov.

Yevgeniy Aleksandrovich Abramov was born on 8 February 1939 in the village of Makarovo, Taldom Rayon, Moscow Oblast. He graduated from Podolsk Technical School in 1958, and the department of law of Moscow State University in 1965. In 1958-1960 he was a fitter-mechanic at the Podolsk machine plant. Beginning in 1965, he was an investigator for the Podolsk investigation department, an investigator, and a senior investigator with the investigation directorate of the Moscow Oblast Internal Affairs Administration. From 1986 on, he was chief of the organization-inspection directorate of the Moscow Oblast Executive Committee Internal Affairs Main Administration. From 1990, he was deputy RSFSR internal affairs minister — chief of the crime investigation service. Since February 1992 he has been first deputy Russian Federation internal affairs minister. He is an internal service colonel general.

The duties of FSB [Federal Security Service] chief have been placed upon Mr. Safonov, first deputy director of this agency.

Anatoliy Yefimovich Safonov was born in 1945 in Krasnoyarsk Kray. He graduated from Krasnoyarsk Polytechnic Institute in 1968. Beginning in 1969, he worked with the KGB's Krasnoyarsk directorate. In 1983-1987, he was chief of Second Department (counterintelligence) of the KGB's Krasnoyarsk Kray directorate; from 1988, he was chief of the KGB Krasnoyarsk Kray directorate. In 1994, he became Federal Counterintelligence Service first deputy director. In 1995, he became FSB first deputy director. In 1990-1993, he was a Russian Federation people's deputy. He is a colonel general.

Yeltsin, Union of Governors Discuss 1996 Budget

LD0307182695 Moscow ITAR-TASS in English
1803 GMT 3 Jul 95

[FBIS Transcribed Text] MOSCOW, July 3 (ITAR-TASS) — President Boris Yeltsin today met a group of members of the Union of Governors of Russia to discuss the formation of the state budget for 1996 and principles of interaction between federal and local bodies of power.

According to the President, both these subjects will soon be submitted to the State Duma for consideration.

The meeting was attended by the governors of the Arkhangelsk, Novgorod, Moscow and Vologda regions.

The Presidential press service reported today that "the heads of administration expressed satisfaction with the fact that the central bodies were working on the budget for next year in close contact with the bodies of power in the component parts of the Federation. Participants in the meeting noted that as a result of the settlement of the parliament-government crisis the adoption of the 1996 budget as early as autumn of this year has become a reality."

The President and the governors also discussed the social and economic situation in Russia's northern regions and formulated proposals and recommendations to the federal bodies of power, the press service reported.

After the conference, President Yeltsin issued instructions to the government of the Russian Federation and the Presidential staff.

More on Yeltsin's Budget Talks

MK0407104095 Moscow SEGODNYA in Russian
4 Jul 95 p 2

[Report by Yelena Tregubova under the "Meeting" rubric: "Governors Discuss Budget Message With President. Elections for Governors Will Start Only After Elections for President"]

[FBIS Translated Text] President Yeltsin yesterday received in the Kremlin the governors of Moscow, Novgorod, Volgograd, Kirov, and Arkhangelsk Oblasts, as well as the head of a Moscow Oblast rayon, and the president of the Union of Cities of the Far North. Your SEGODNYA correspondent was told at the president's staff that the main subject of the Kremlin discussion was "budget federalism;" "also discussed was the president's upcoming budget message and the 1996 budget."

Sergey Samoylov, one of the chiefs in the staff's administration for work with territories, told First Vice Premier Anatoliy Chubays that "it has been possible, in the course of the recent rather intensive meetings with the heads of federation components to eliminate all fundamental differences on this matter between the central and regional authorities." Sergey Samoylov cited among such most successful "outside measures" the conferences held by the vice premier in Orel and Krasnoyarsk, "where the governors directly participated in the work on the president's budget message." Debates, in the words of the president's staff spokesman, mainly continue over "the speed of introduction of the elements

of budgetary federalism: whereas the center insists on gradualness, the regions are pressing for an acceleration of this process." In particular, the question is when the regions are to have additional shares of the value-added tax, income tax, customs duties, all sorts of off-budget funds, and so on. Nevertheless, Sergey Samoylov vouched, the meeting with the governors indicated that they are "ready to back the government's desire to pass a balanced 1996 budget and to create an actually working tax system."

The meeting also discussed bringing regional legislation in line with the Constitution. Boris Yeltsin told them about an edict, now being prepared, conventionally entitled "On Interaction of Federal and Regional Organs of Power in Conducting the Second Stage of the Constitutional Reform." Regional legislators, in Samoylov's phrase, are asked "briefly to stop and look around, because an increasing number of laws being passed nowadays contravene the Constitution." The draft of a corresponding presidential edict calls, in particular, for the creation of a special "juridical organ comprising representatives of all power branches" with whom regional legislators will be supposed to consult. In addition to all the other things, the draft edict suspends regional election laws thus postponing for some time the holding of gubernatorial elections. The staffers of the administration for work with territories complain that, in Altay Kray, for example, they have had an idea for arbitrarily electing their governor in the kray's legislative assembly rather than by popular vote," and President Yeltsin "is fundamentally against such an approach." Besides, the president's staffers say they "see no grounds for globally changing the system of appointment rather than of elections for heads of administrations which developed and became firmly established under the current president," and make it understood that the procedure of elections for governors will hardly have begun to work before new presidential elections. Exceptions have been made only for Nizhniy Novgorod and Sverdlovsk Oblasts, where the president has by special edicts permitted the holding of elections, and he will do it perhaps for several more regions.

Yeltsin Supports Joint Currency Market Move

LD0507104195 Moscow INTERFAX in English
0924 GMT 5 Jul 95

[FBIS Transcribed Text] MOSCOW, July 5 (INTERFAX) — Russian President Boris Yeltsin is positive about the joint step by the government and the central bank on the currency market in the third quarter of 1995, the presidential aide on economic issues, Aleksandr Livshits, told INTERFAX in an exclusive interview Wednesday. He added the step had been "prepared

for much longer than a day, and the Russian president was constantly informed of the development of this important decision."

According to Livshits, the limits for the ruble's exchange rate of 4,300 to 4,900 should be regarded as a "corridor" for the ruble's fluctuation. This "corridor" will make the general economic situation "stabler and more predictable."

Livshits emphasized that the step will have an impact not only on the currency market. It favors both domestic producers, chiefly exporters whose foreign contracts become more predictable, and citizens keeping their savings in hard currency.

The introduction of the limits was within the economic capabilities of the central bank and the government as they have available reserves to prevent the "corridor" from being "broken to one or the other side."

Foreign Investments Sought as Key to Stability

MK0407134095 Moscow KOMMERSANT-DAILY
in Russian 4 Jul 95 pp 1, 3

[Report by Vadim Bardin: "Two Benefit Performances at the President Hotel"]

[FBIS Translated Text] Over the past weekend Prime Minister Viktor Chernomyrdin has also premiered on Moscow's political scene. Of course, the main event was the government's 1 July success in the Constitution-enforcement operation in the Duma. But as early as 2 July, Viktor Chernomyrdin had a chance to sound out the near-term economic implications of his political victory. He presided over the fourth session of the Consultative Council on Foreign Investments. Behind the premier was the entire economic beau monde of the Russian Government: from Economy Minister Yevgeniy Yasin and Finance Minister Vladimir Panskov, to State Antimonopoly Committee Chairman Leonid Bochin. The session was also graced by the presence of Central Bank Acting Chairman Tatyana Paramonova. The counterparts to the Russian ministers were directors of 16 foreign companies implementing major projects in Russia.

Viktor Chernomyrdin's Benefit Performance

Whereas Albert Gore could give only moral support to his counterpart in the Russian-U.S. Commission on Economic and Technical Cooperation, Viktor Chernomyrdin, at a difficult time for him (the commission finished its work 30 June), the foreign participants in the Consultative Council met with a victor in yet another Russian parliamentary imbroglio. Naturally, this added weight to Viktor Chernomyrdin's assessments, and he concentrated on macroeconomic forecasts for 1995 and

1996. The conclusion was optimistic: "For the first time since 1992 the Russian economy is beginning to compensate for the losses of past years."

Predictably, the trump card, dealt by the Central Bank into the hands of Russian advocates of financial stabilization — the strengthening of the ruble's exchange rate — was also played. But session participants were not particularly impressed by this information. In the lobbies Tatyana Paramonova had to admit that inflation is not quite responsive to Central Bank policy. In effect the toughening of the Central Bank's reserve policy with the anti-inflationary aim of limiting the commercial banks' credit ability led to the growth of the ruble's exchange rate, while the buying of dollars by the Central Bank led to new rubles being brought into circulation, and all statements about their being backed by dollars do not eliminate their inflationary nature. As a result, inflation restraints are being weakened and investment resources are shrinking.

In his address the premier moved the end of the financial stabilization stage — and therefore the upsurge of investment activity — to next year. There was nothing else he could do: In the first half of 1995 capital investment volume fell by 20 percent. Under these conditions foreign investments could play an important role in heating up the Russian investment process. But — the effect of the Russian roulette — government success stories in the financial sphere were marred by a peak of political risks (the Chechen campaign, and the subsequent vote of no-confidence in the government), which did not begin to subside until the past few days. As a result, foreign investors responded rather modestly to appeals from the Russian Government: Viktor Chernomyrdin estimated the inflow of direct foreign investments to Russia in the first half of 1995 at a mere \$500 million. So the attempt to compensate for the fall in Russian investments by foreign investments have so far clearly not been successful. Characteristically, the keys to activating foreign entrepreneurial activity in Russia are in the lawmakers' hands. Major bills — on production sharing, the new version of the law on foreign investments, on free economic zones, and on concessions — continued to be cooked in the parliamentary kitchen. So far only one, even though very important, law — on production sharing — has been approved by the Duma.

True, there are foreign portfolio investments. The year 1994 has already shown the attractiveness of the Russian stock market for foreign investors. This year, too, substantial efforts are being made for foreign investors to get a second wind at the stage of monetary privatization. The Russian securities market is being actively cultivated: A national deposit-and-clearing company is being

set up and specialized registration companies are emerging. Among the substantial innovations is the preparation of government proposals on converting Russian foreign debt into creditors' investments. Nonetheless this year will hardly bring any basic changes in foreign investors' attitude toward Russia.

The Benefit Performance of Yasin & Urinson, and Ernst & Young

Viktor Chernomyrdin was not the only beneficiary at the Consultative Council session. Shortly before the session the number of institutions called upon to promote foreign investments in Russia had increased. Two new bodies emerged in addition to the Registration Chamber and the Project Financing Center (specializing in work on projects financed by the World Bank): the Center for Promoting Foreign Investments and the Consultative Council's Standing Committee on Foreign Investments. Yevgeniy Yasin — and the Economy Ministry is considered to be the forefather of all these structures — believes that the creation of a network of specialized and formally independent organizations is more effective than the restoration of a bureaucratic monster like the now defunct Russian-U.S. Council on Investments and Development. The center's task is to provide foreign investors with information on legislation and economic regulation measures as well as on projects geared toward foreign investments. The name of the standing committee speaks for itself. The council has three working commissions: on internal barriers to foreign investments in Russia (customs and duties), on outside barriers (the aim is to encourage foreign companies to lobby for the interests of Russian exporters abroad), and on Russia's investment image. Before, they worked by preparing council sessions which, as a rule, took place twice a year. Now they are part of a committee that has a permanent status.

Not only Economy Ministry officials but also Ernst & Young can be congratulated. This company was the main lobbyist for the interests of foreign investors — Council members — in Russian corridors of power and in effect performed the functions of a foreign section in all three commissions of the Consultative Council. Now Ernst & Young has received official and permanent access to government offices.

Chernomyrdin Rebuts 'Political Adventurists'

MM0507121895 Moscow KOMSOMOLSKAYA
PRAVDA in Russian 5 Jul 95 p 2

[Interview with Prime Minister V. Chernomyrdin by Aleksandr Gamov; place and date not given: "Forty

Minutes Alone With Chernomyrdin" — first two paragraphs are introduction]

[FBIS Translated Text] I once lived on the same street in Orenburg as Viktor Chernomyrdin. He was working the gas fields and I was a journalist by trade. Every time that he saw my open notebook Viktor Stepanovich would frown and say: "Just you wait, we will live to see better times...." He would answer questions reluctantly, in monosyllables. And he was quite hard on correspondents.

When my fellow townsman became prime minister, I once again began pressing him for an interview. And during Chernomyrdin's recent visit to Samara I even tried to "hijack" the government aircraft. After this Viktor Stepanovich gave in: "When we go back to Moscow, I have to see Le Pen, Gore, and KOMSOMOLKA's correspondent." The most surprising thing is that this was no joke. A few days ago the editorial office received a telephone call to say: "The prime minister is expecting you."

[Gamov] Viktor Stepanovich, you have changed....

[Chernomyrdin] I'll say: It is almost 20 years since you last "pestered" me in Orenburg.

[Gamov] I never thought this would happen. I never thought that the Russian prime minister would prove more accessible than the director of the Orenburg gas plant. Is this not connected with the fact that our government and its chairman, who leads the "Russia Is Our Home" movement, are in actual fact moving away from in-camera to "public" politics?

[Chernomyrdin] Not at all, that is not the point. I am just well-disposed toward KOMSOMOLKA on the whole. Although you do of course sometimes get carried away. It would be better for you to get carried away in the right direction. No, I am not saying that you should be biased toward the government, but you should be biased toward the readers. Things are hard enough for them already, yet you sometimes stir them up over mere trifles.

[Gamov] OK, let us discuss what you want.

[Chernomyrdin] Let us talk about the "public aspect" of the Cabinet of Ministers' policy.... It is probably inadequate. Let me be honest and say that we were simply not keen on it. After all, ministers and committee chairmen, like the premier himself, are hard sloggers. The job comes first. Sometimes there is no time to listen, much less to provide a decent response to what people say about us at rallies, on television, or in parliament. I think that is a bad thing. You get a bizarre situation whereby we are working our butts off while they are

badmouthing us and telling us what to do and how this is wrong and that is wrong.

[Gamov] Well, are people not allowed to criticize you?

[Chernomyrdin] You know, it is always simpler to criticize than to take action. And who is doing the criticizing? Take Sergey Glazyev, who organized the vote of no confidence in the government. I know him very well — he is one of my government's former ministers. Now he is complaining that people do not listen to him. But I would always say at the time when we were having meetings with Sergey Glazyev, Grigoriy Yavlinskiy, and all the others and I would repeat again: Come along, bring your proposals, sit down, and let us work together. Why are you waiting for the elections? If you want to do something useful for your country and for your people, do it; there is no need to seek a suitable opportunity. They say: Nothing is working out for Chernomyrdin and his team, but as soon as we come along — I do not know who we are talking about — everything will go swimmingly. Nothing sensible will come of it just like that. In order to accomplish something you need to have at least one skill in life.

[Gamov] So, there is no alternative to Chernomyrdin and his government today?

[Chernomyrdin] I do not want to say that Chernomyrdin is the best premier. God forbid, I am by no means that. But I can see who we are dealing with and what are our opponents are like. They would do well to take a look at what is going on around them. Most profound changes are taking place in the economy today; people themselves are changing. But it takes time for everything to come good. And some people are unwilling to wait.

Do you know what is the most important thing in the government's work now? You need to be able to feel the pulse of life. I hope that people will not think this immodest but, in my view, our government has nonetheless been successful to some extent. I hope that Boris Nikolayevich Yeltsin also shares my view. People sometimes say to me: Why are you fussing over inflation? It could have been wrapped up once and for all long ago. Others say the opposite: You ought to take the softly-softly approach. Both are indeed possible. But we would be making so many mistakes! I have had enough of that kind of thing; we have done our experimenting! The economy is a complex, intricate, living organism. And adventurers, particularly political adventurers, should not be allowed near it.

In their innocence some people probably do indeed think that, if the White House has a new government, Russia will immediately receive manna from heaven —

inflation will fall, income will appear, and industry will start working. What industry? What kind of work are we talking about? We will not get far out of the crisis if there are no structural changes, if the Russian ruble is not strong, and if investments do not turn up. But investments will not turn up overnight. There is money around today, but because of people like Glazyev there is a reluctance to invest that money in the national economy. That is why we are being intimidated all the time with thoughts of disintegration, then collapse, then disaster....

[Gamov] Viktor Stepanovich, one cannot help agreeing with your critics' arguments: Production is still falling in the country, inflation is rising. According to some forecasts, by the end of the year one-third of the population will know what real hunger is....

[Chernomyrdin] Stop this. There will be no hunger! There have already been so many attempts to scare us with that idea.... It would be better to take a look at our position 1 July. Here is the report:

"The country's GDP in the period January-June 1995 stood at 97 percent of that produced in the same period in 1994. At the same time, if you compare June 1995 with June 1994 the GDP indicator rises to 99 percent. While the figure is 100 percent with regard to June 1995 on May this year. There is a similar picture with regard to movements in the volume of industrial production: Production in June 1995 compared with May 1995 stands at 101 percent, while the figure is 100 percent for this June on last June."

What does that reveal? The fact that we have by and large today succeeded in halting the slump in production. Let me say more: For the first time since 1992 our economy is starting to make up for losses in previous years.

Now let me say a word about inflation. If you remember January, we began with 18-percent inflation, whereas in April and May the figure was down to 8.4 and 7.9 percent respectively. The June inflation level was 6.7 percent. Needless to say, that is higher than the forecasts made when this year's budget was being formed. But two factors have to be borne in mind here. First, for the first time in the last three years a reduction in the level of inflation has not been accompanied by a reduction in production levels. Second, there is a fairly steady tendency for our national currency — the Russian ruble — to grow stronger. Incidentally, there is a funny element here. I used to be criticized for not strengthening the ruble, but now I am said to have cast the dollar on the whim of fate. To be honest, this does not cause me much of a headache.

[Gamov] But our heads are splitting.

[Chernomyrdin] Then change dollars for rubles! If you are waiting for another "Black Tuesday," let me tell you a secret: It will not happen.

[Gamov] Viktor Stepanovich, excuse me, but you have painted an exceedingly optimistic picture. But there are just as many poor beggars in the subway, and prices in the stores are exorbitant. Do you know how much boiled sausage costs?

[Chernomyrdin] Do not worry, I do know. I do not go to the stores myself, but my wife and children tell me about the prices and everything like that. Today we are reaping the "fruits" of the high inflation late last year and early this year. Naturally, the population's incomes have been devalued and commodity turnover has fallen. The situation is now being set to rights: In May real incomes rose by 3 percent and in June by about 4 percent. You do realize that all the problems cannot be resolved en masse. Let us be patient and spare one another's nerves.

[Gamov] Let us come back to the recent parliament-government crisis. It did not just arise because of the economic problems, after all. It was aggravated by the protracted war in Chechnya, the tragedy in Budennovsk....

[Chernomyrdin] Yes, everything is regrettably interconnected. This is a tight knot, you know.

[Gamov] I got the impression that from the very outset Premier Chernomyrdin had his own dissenting viewpoint on the settlement of the conflict but that someone was standing in his way all the time.

[Chernomyrdin] Don't worry, don't worry....

[Gamov] In short, did you understand the question?

[Chernomyrdin] I did. I can see right away that you want to wring some kind of "sensation" out of the premier.

[Gamov] Am I right?

[Chernomyrdin] You are both right and wrong. First, there is no need for any fabrications. Second, remember what happened at the time. Back in January it became clear that the Chechnya problem could not be resolved by force of arms. Then the Russian president gave me instructions to begin seeking ways of reaching a political settlement to the conflict. I held a host of meetings — with Chechen elders, religious, public, and political figures, entrepreneurs, "right-wingers" and "left-wingers." One man came along in a huge Cossack fur hat: I am the chief mufti, he said; if you work with me, I will sort out all the problems. I was ready to "work" with everyone, even Dudayev himself, provided that the bloodbath came to an end. I have suggested

that we sit down and talk and sort everything out. We seem to reach agreement and then it just carries on escalating....

[Gamov] Was the huge bloodshed a necessary stage before finally coming to the negotiating table?

[Chernomyrdin] Some people certainly wanted it. When they were cornered, they remembered that there are peaceful ways of resolving a crisis.

[Gamov] Did the power ministers not stand in your way?

[Chernomyrdin] In what respect?

[Gamov] Well, I do not know.... In finding a political settlement.

[Chernomyrdin] They would indeed have been glad had it been possible to do everything differently from the very outset! But why did you decide that the power ministers were standing in my way? Since you ask, what do you think?

[Gamov] I suppose not.

[Chernomyrdin] Since you do not think that they did, why ask the question? Strange, look here....

[Gamov] In Budennovsk did the power ministers want to take the peaceful route on everything? That does not seem to have been the case.

[Chernomyrdin] Budennovsk is painful for us. It is a disgrace for the country, which was unable to defend its own citizens. It is hard to vindicate anyone here. I think that the Russian president and the Security Council have assessed this complex issue strictly but fairly and that the power ministers who resigned made absolutely the correct decision. Anyone who is officially responsible for people must bear that responsibility in full.

[Gamov] Grachev also seemed to state his readiness to resign at the Security Council, but the president for some reason did not send him packing.

[Chernomyrdin] In these situations the president himself decides what he is to do. Believe me, it is very hard for Boris Nikolayevich to take these decisions.

[Gamov] I was in your office when you were conducting telephone negotiations with Shamil Basayev. Be honest: Were you ashamed before Russia and the whole world to be dealing with a bandit and writing government directives to his dictation?

[Chernomyrdin] I never write to dictation. To be frank, of course it was unpleasant. But at that time I was not thinking about my feelings on the matter or about what

kind of impression I was making. One thought nagged at me, namely to free the people at any cost.

[Gamov] During the press conference I asked Vice President Gore about his opinion of our premier's unusual behavior at this time. Gore replied: Chernomyrdin performed a courageous deed. Do you share his view?

[Chernomyrdin] When people say that Chernomyrdin saved the hostages, I disagree. They were saved by the state, by all of us. At that time Russia flinched and then united. I do not think that we have seen that kind of unity in a long time. And I also think that the tragedy in Budennovsk was a kind of point of departure for a new political era. For almost the first time in its history — and I stress this — the Russian state placed the lives of its citizens above any political expediency. I am convinced that this represents another lesson that we have learned from everything that has happened to us.

[Gamov] Our colleague Natalya Alyakina, a journalist for the RUFA agency and FOKUS journal, died in Budennovsk.

[Chernomyrdin] Yes, I know that. I recently received a letter from her husband, the German journalist Giesbert Mrozek. I answered the letter immediately. I promised that the circumstances of Natalya Alyakina's death would be investigated carefully and the culprits punished without fail. We must do everything to ensure that there are no more tragedies like this.

[Gamov] Can we hope that the new political era that you mentioned will also leave its imprint on the negotiating process in Grozny and that the war in Chechnya, contrary to Grachev's forecasts, will last not months and years but a few days?

[Chernomyrdin] First, the war is no longer under way — the sides are by and large observing the moratorium on combat operations. What is more, the negotiating process is more dynamic than ever before. On both political and military matters we have reached accords that seemed inconceivable even yesterday — for instance, Dudayev's followers have agreed to surrender to us some of their heavy combat hardware. I cannot say that all this is thanks to a "new political era." Both the Russian president and the government have always given priority to levers for the political settlement of the conflict. If they have not worked, that is not our fault. I would like to hope that the worst is behind us. We will do everything we can to ensure that the Chechen Republic emerges from the ruins, holds democratic elections for its organs of power, heals the wounds, and establishes normal life.

[Gamov] The parliament-government crisis, which some people have already described as the prelude to another "Black October," ended in victory for the president and the Cabinet of Ministers, albeit with some losses. Are you glad?

[Chernomyrdin] I would not describe the solution to the political crisis as a victory for anyone. I believe that it was a victory for everyone. Primarily common sense, which fortunately was in good supply among most of the parliamentarians. I think that we have already gone through the period of crossing swords and seeking out the innocent and the guilty. We do not have so much time and strength that we can squander them in vain on all manner of squabbles. People are tired of upheaval and "revolutions," they want a normal life and work. I think that they will be equally nauseated by triumphant reports about market successes and endless attempts to outdo one another in badmouthing the life of the country and its people.

[Gamov] Do you want to invest life with new color, and is that why you are building "Russia Is Our Home"? Incidentally, I have long wanted to ask the question: Who does the "our" denote — the "party of power"?

[Chernomyrdin] Wait a minute, do not misrepresent the facts. To be honest, I had doubts about whether to embark on this project at all because I had always said that I was in a way outside politics. But then I came to realize that I would be going against my conscience were I to continue making that claim. Now is a time when you cannot be an "outsider." And I also thought: If we do not do this, who will?

The coming parliamentary elections, when deputies will be elected for four years, will enable us to lay a firm foundation of stability, which is something that we all want. So, why not take advantage of this opportunity? When our movement grows stronger, when the other constructive bloc being set up by Ivan Petrovich Rybkin has developed in parallel, all the current rabble-rousers and extreme left-wingers will inevitably be left on the sidelines of sociopolitical life. At least, that is what we would like. Then we will have guarantees that there will be no more revolutions in Russia either next year or in the next millennium.

Why, you may ask, did we call our movement this? We have gotten sick of all the calls of "Onward!" and "Let Us!..." The concept of "our home" is associated with tranquillity, protection, firm foundations, and the family. And also with a "full cup." Or am I wrong?

We are certainly the "party of power." What is wrong in that? After all, strictly speaking it is here in Moscow that people intimidate one another with the word "power"

and will soon be trying to scare people with the words "state" and "Russia." However, effective power — no matter how you look at it — primarily constitutes a state that is economically beneficial for society, a professional government, and an accountable parliament. Russia has agonized to achieve that.

[Gamov] In your actions and deeds who prevails — the government chairman or the leader of an election bloc? And does one not get in the way of the other?

[Chernomyrdin] In my life I have held many posts of various kinds. I have always acted as my conscience dictates. Now too I work not as my post dictates but as my conscience dictates.

[Gamov] Nonetheless, Viktor Stepanovich, you are taking a risk. The government will probably have to take some unpopular decisions, and voters do not like that. Are you not afraid of losing the elections?

[Chernomyrdin] No, I am not. The people will accept and understand us. They already do. Throughout Russia our association, which already comprises thousands of voters, has set up around 80 regional organizations in a short time. Just remember that you cannot drag people into a party with sticks and carrots. If people have joined us, it means they trust us. I am convinced that we members of "Our Home" will get right to the Duma.

[Gamov] Have you have any new thoughts on the presidential election?

[Chernomyrdin] I will take part in them without fail. As a voter.

[Gamov] I cannot help asking you one unpleasant question. A report has appeared in the press that you allocated your brother land near Moscow and that you are building a dacha for him. That you hold 5 percent of the shares in "Gazprom." That you have bought an aircraft for your personal use....

[Chernomyrdin] One of my brothers died several years ago, I buried the elder one late last year. These are irreparable losses for me. When I read vile comments about dachas I think that their authors know of my grief and simply want to spite me. As for the shares.... People who say this evidently do not have enough brain to see what a gigantic amount this is and wonder whether it can belong to one man. I have no "Gazprom" shares at all, although at one time I was asked to become a shareholder. And as for "my" aircraft and ships.... This is all part of a massed attack by my enemies. It is a familiar ploy. A dirty one.... Let the authors of this fabrication remember that it is not that easy to unhorse me. I am a descendant of Orenburg Cossacks.

[Gamov] When we were in Samara for the 80th anniversary of the institute from which you graduated I noticed that tears came to your eyes at one point. Are you a sentimental man?

[Chernomyrdin] Possibly. But that has no bearing on my job.

[Gamov] Tell me how you always manage to be on form after the sleepless nights, meetings with people like Shamil Basayev, and the stress of the Duma? How do you stand the strain?

[Chernomyrdin] I do not know, I cannot say. I have a good wife.

[Gamov] Does she feed you anything special?

[Chernomyrdin] Yes, she does. I leave home at first light and return after midnight. The doctors say that early rising is undesirable and going to bed late is wrong.

[Gamov] Do you often clash with your doctors?

[Chernomyrdin] Constantly. They are aggrieved that I do not stick to a regimen. But the work requires great dedication.

[Gamov] The president winds down on the tennis court. What sport do you play?

[Chernomyrdin] Boris Nikolayevich began playing tennis before me. Now I cannot keep up with him. So, if I do play, I play table tennis.

[Gamov] On your desk you have photographs of your wife and granddaughter....

[Chernomyrdin] It gives me a warm glow. My granddaughter Mashenka now has a little brother Andryusha. I have wonderful sons and daughters-in-law. My entire family constantly feels for me. Admittedly, there is not that much time for kind words. But when I do hear them, it makes me feel warm inside. If my relatives did not support me, I would not be able to endure. My family is my greatest and most reliable support. And I am glad that my life has turned out like this.

Military & Space Issues

Grachev on Political Strife, Armed Forces

LD0307164295 Moscow INTERFAX in English
1625 GMT 3 Jul 95

[FBIS Transcribed Text] MOSCOW, July 3 (INTERFAX) — Russian Defense Minister Pavel Grachev believes political strife should never affect the army. This was his comment in an INTERFAX interview concerning the showdown between the legislative and executive authorities following the Budennovsk tragedy.

According to him, the showdown did not pass unnoticed in the Armed Forces, with numerous servicemen reacting painfully to it.

Grachev said that in their messages to the president, prime minister and chairmen of the two houses of parliament the servicemen said the army should be left out of the conflict.

He thinks the army should be a non-political organization and society must be encouraged to respect the army.

He visited the command post of a missile early warning system in the Moscow region Monday. What he saw pleased him. Grachev said the crews showed a high degree of preparedness.

He admitted that certain elements of the air defense are obsolete. Grachev said that they will be replaced by new early warning, notably spaceborne, tools now under development.

By 2005 the country will have an entirely new early warning and space monitoring system, he continued.

Grachev plans to visit air defense units this week. In particular, he will visit the command post of S-300 surface-to-air missile systems deployed in the Moscow region.

Grachev Criticizes Shortage of Army Funds

LD0407220695 Moscow Russian Public Television First Channel Network in Russian 2027 GMT 4 Jul 95

[From the "Novosti" newscast]

[FBIS Translated Text] [Correspondent Mikhail Zotov] Having familiarized himself with the state of things and combat capabilities of an air-to-surface missile unit near Moscow, Pavel Grachev complained about the fact that not only was there shortage of personnel for army service but also that, in all likelihood, the army would not receive a single state-of-the-art specimen of Russian military hardware this year. According to the defense minister, it has been possible for the time being, albeit not always, to provide components for the earlier adopted hardware. For instance, the modernized S-300 air defense system — and all the world's intelligence services were after it at one time — is barely provided with spares.

[Begin Grachev recording] There is a catastrophic shortage of funds. If we have managed to make ends meet thanks to the so-called extra-budgetary means for five months — that is, by selling surplus equipment and property to the national economy — our stocks are not inexhaustible. Now there is practically nothing to sell,

and if there is, it is already obsolete equipment and does not market well. [end recording]

[Zotov] According to Grachev, heads of administration have been helpful so far with food supplies, for instance. But the situation with financing defense enterprises is altogether catastrophic. So in all likelihood, the latest developments by Russian military designers, for instance, the world-famous hybrid intellect aviation systems, will not be adopted by the army in the next few years.

More on Army's Financial Problems

LD0507115895 Moscow ITAR-TASS World Service in Russian 0404 GMT 5 Jul 95

[By ITAR-TASS correspondent Anatoliy Yurkin]

[FBIS Translated Text] Moscow, 5 July (ITAR-TASS) — Russian Defense Minister Army General Pavel Grachev is continuing his trip to inspect the military units of the country's antiaircraft defense forces. He said that the aim of studying the situation is to define the ways of further reforming this arm of the Armed Forces taking into account the new military strategic tasks and the economic possibilities of the state. Replying to a question asked by the ITAR-TASS correspondent about imminent changes in the structure of the antiaircraft defense, the defense minister replied that the process of the development of Russia's antiaircraft defense has been going on for over two years and the reduction of combined units, formations and units is a constituent part of the reforms that are going on.

"It is important for me to be sure to what extent the proposals made by the General Staff and the Main Headquarters of the antiaircraft defense are acceptable in order to take a final decision," Grachev pointed out.

Speaking about the tasks facing the Antiaircraft Defense Forces, the general did not specify whether this arm of the Armed Forces of the Russian Federation will remain an independent structure or will combine with some other arm and will be radically changed. "A decision on this will be made in the immediate future. However, it can be said that the combat readiness and the capability of the Antiaircraft Defense forces to fulfill their tasks will not be reduced," the defense minister said.

Duty-Free Imports for Space Program Approved

MM0507100195 Moscow ROSSIYSKAYA GAZETA First Edition in Russian 4 Jul 95 p 5

[Russian Federation Federal Law No. 97 "On the Ratification of the Agreement Between the Russian Federation and U.S. Governments on the Procedure for Customs Clearance and Duty-Free Import of Goods Shipped

Within the Framework of Russian-U.S. Cooperation in the Study and Use of Space for Peaceful Purposes," adopted by the State Duma 9 June 1995, approved by the Federation Council 14 June 1995, signed by Russian President B. Yeltsin in Moscow on 28 June 1995]

[FBIS Translated Text] The Agreement Between the Russian Federation and U.S. Governments on the Procedure for Customs Clearance and Duty-Free Import of Goods Shipped Within the Framework of Russian-U.S. Cooperation in the Study and Use of Space for Peaceful Purposes, signed in Moscow 16 December 1994, is hereby ratified.

[Signed] Russian Federation President B. Yeltsin

[Dated] 28 June 1995, the Kremlin, Moscow

Federal Assembly

Rybkin on Yeltsin, Federal Assembly Conciliation

LD0107132095 Moscow INTERFAX in English
1310 GMT 1 Jul 95

[FBIS Transcribed Text] MOSCOW, July 1 (INTERFAX) — State Duma Chairman Ivan Rybkin voiced a supposition that the process of creation of permanent conciliatory procedures between the government and the Federal Assembly under the auspices of the Russian president would start already next week.

After the extraordinary sitting of the parliament lower chamber Saturday which declined the decision on no-confidence in the Cabinet of Ministers, Rybkin reported in an interview with INTERFAX that five representatives each from the Federal Council and the government and 12 representatives of the State Duma, including 11 leaders of the factions and the speaker himself, will take part in permanent conciliatory procedures.

Mentioning Chernomyrdin's proposal to the Federal Assembly Chambers to make a joint statement in order to refuse from [as received] actions destabilizing political situation in the country which was voiced at the extraordinary sitting, Rybkin expressed opinion that the Constitution and the acting legislation are quite enough to remove contradictions appearing between power branches.

Rybkin expressed conviction that after the Saturday extraordinary sitting of the parliament lower chamber the interaction between power branches will acquire constructive nature.

Duma To Urge Yeltsin Not To Replace Media Leaders

MK0407121095 Moscow KOMMERSANT-DAILY
in Russian 4 Jul 95 p 3

[Unattributed report in the "Records" column: "Duma Might Stand Up for Mass Media Key Figures"]

[FBIS Translated Text] Today the Duma council came up with a motion to approach the president of Russia with an appeal not to replace any of the mass media top figures before parliamentary elections. The motion included in the draft agenda of the plenary session for 5 July has been made by Mikhail Poltoranin, head of the Duma committee on information policy, following the letter signed by some ROSSIYSKAYA GAZETA journalists and received by the Duma on 30 June. In their letter, the workers of ROSSIYSKAYA GAZETA strongly oppose the alleged release of Natalya Polezhayeva, chief editor of ROSSIYSKAYA GAZETA, from her post, which has been much discussed lately. Observers in the Duma think that Poltoranin's initiative has been caused also by the rumors concerning a possible resignation of Oleg Poptsov, head of the All-Russia Television Radio Committee.

Yabloko Faction Seeks Grachev's Resignation

LD0307112095 Moscow ITAR-TASS in English
1001 GMT 3 Jul 95

[By Igor Belskiy]

[FBIS Transcribed Text] MOSCOW, July 3 (ITAR-TASS) — Yabloko faction in Russia's State Duma is going to press for the resignation of Russian Defence Minister Pavel Grachev. Valeriy Borshchov, one of the leaders of Yabloko faction, today informed ITAR-TASS of the decision passed by the faction's council. Yabloko will be demanding the defence minister's resignation with "redoubled energy".

Borshchov believes the defence minister is much more responsible for what has taken place in Budennovsk when [as received] Viktor Yerin, Sergey Stepashin or Nikolay Yegorov. The MP said the demand for Grachev's resignation won the biggest number of votes at the Duma's plenary meeting.

Borshchov believes that keeping the defence minister, the "President showed disregard for the Duma".

Federation Council Rejects Three State Duma Laws
LD0407101595 Moscow ITAR-TASS in English
 0930 GMT 4 Jul 95

[By Lyudmila Yermakova]

[FBIS Transcribed Text] MOSCOW, July 4 (ITAR-TASS) — The Federation Council today turned down three laws on amendments to a number of articles of the Constitution which were earlier approved by the State Duma, the lower house of the Russian parliament.

The laws were put to the vote in the Duma on June 21 in connection with the preparation for a vote of no-confidence in the Viktor Chernomyrdin Cabinet over the Chechen events.

The State Duma proposed expanding the list of officials appointed by the President of the Russian Federation with the State Duma's consent. The list included the Prime Minister, his deputies and the leaders of the so-called power ministries and departments.

The laws also laid down the possibility for members of parliament to express no-confidence not only in the government as a whole but also in individual members of the Cabinet.

Another law was designed to introduce the institute of parliamentary investigation as a tool of the parliament's control over the activity of bodies of power.

In order to make changes to the Constitution of the Russian Federation, those laws, upon approval by the State Duma, required a two-thirds majority support in the upper house, the Federation Council, and subsequently by a two-thirds majority in the legislative assemblies of the component parts of the Federation.

A new law would then be forwarded to the President for signature.

Agrarians Call for Closer Cooperation

LD0107112795 Moscow ITAR-TASS in English
 1113 GMT 1 Jul 95

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW, July 1 (ITAR-TASS) — "The parliamentary-government 'storm in a glass of water' calmed down," leader of the Agrarian group Mikhail Lapshin said about the results of voting on the no-confidence motion in the government at the State Duma on Saturday.

A total of 193 deputies voted for a resignation of the cabinet today. However, the number of votes is to be 226 for the motion to pass.

Lapshin expressed hope in an interview with ITAR-TASS after the end of the session that the government should take into account in its work all ideas voiced by the opposition.

He noted that opposition Duma groups expressed quite a number of sound thoughts during the debate on the no-confidence vote. Lapshin added that "the government should work in close contact with the opposition and listen more attentively to its advice than to those who praise the government".

"As I understood from the speech by Viktor Chernomyrdin at the session," he said, "the premier will tell lawmakers at a State Duma session on July 19 which of their proposals and remarks will be taken into account."

Lapshin said that most members of the Agrarian group voted for the no-confidence motion in the cabinet, since "the government does not take any serious steps to normalise the situation" in the conditions of "the difficult position of Russian peasants, aggravated by the current drought".

Lapshin expressed hope that, following the parliamentary-government crisis in the country, "the government will start actively to tackle all questions facing it, including urgent problems of the agrarian sector".

Duma Likely To Reject Paramonova as Bank Chief
MK0407132095 Moscow SEGODNYA in Russian
 4 Jul 95 p 2

[Report by Elmar Murtazayev in the "Forecast" column: "The State Duma Could Reject Tatyana Paramonova Again. The Deputies Are Dissatisfied With the Central Bank's Passivity in Defending Deposits With Commercial Banks"]

[FBIS Translated Text] The State Duma will apparently vote against Tatyana Paramonova as Central Bank chairman, believes deputy Pavel Medvedev, chairman of the Banks and Banking Legislation Subcommittee. Addressing a press conference at the Liberal-Conservative Center yesterday, he stated that a substantial part of State Duma deputies are decisively set against Tatyana Paramonova.

The subcommittee chairman said the main reason for the possible rejection of her candidacy is the deputies' dissatisfaction with the "Central Bank's passivity" in defending private persons' deposits with commercial banks. According to Medvedev, the arguments by the Central Bank leadership to the effect that the current legislative basis does not allow the Central Bank to pursue a policy of protecting the depositors are inconsistent.

"In spite of the fact that the laws and normative enactments regulating Central Bank activity are far from ideal, the Central Bank neither in the past nor at present has been using the existing possibilities for bailing out banks that have found themselves in a difficult situation or for blocking their accounts in a timely manner," Medvedev said.

At the same time he believes that the creation of a safe private deposit protection system goes beyond the framework of purely financial matters and is a component part of program for ensuring sociopolitical stability in the country. This is why the Duma subcommittee headed by Medvedev gives special importance to drafting a new law "On Obligatory Insurance of Private Persons' Deposits." In particular, according to the deputy, the Banks and Banking Activity Subcommittee relates with interest and understanding to any innovations by the executive branch in this direction.

It will be recalled that at a session of the government Operational Commission on Streamlining Payments and Settlements the Central Bank proposed to create a federal compulsory private savings insurance fund. Speaking about financial sources for this fund, Medvedev stated that a number of leading banks are ready to remit from 1 to 2 percent of their incomes to the insurance fund. In Medvedev's estimation, this is "very much," which points to a high extent of responsibility by the domestic bankers because abroad corresponding deductions constitute "tenths and hundredths of percentage points."

Medvedev also said that he cannot agree with the methods used by the Central Bank for strengthening the ruble, either. He stressed that the growth of the rate should be gradual and predictable, "without jerks and jumps." By contrast, the current situation only provokes instability on the currency market. According to Medvedev, short term, a substantial growth in the rate of the dollar is quite likely.

Medvedev believes that apart from Paramonova, there are two main candidacies in banking circles for the post of Central Bank chairman: Yakov Dubenetskiy, chairman of the Promstroybank board; and Aleksandr Livshits, presidential economic aide. Nonetheless the subcommittee chairman does not rule out the possibility that the State Duma will reject all candidates proposed by the president. In his opinion, this would be the worst case scenario.

Upper House Speaker Shumeyko Interviewed

MM3006142295 Moscow PRAVDA in Russian
28 Jun 95 pp 1,2

[Interview with Vladimir Shumeyko, chairman of the Federation Council, by PRAVDA political observer Boris Slavin; place and date not given: "Vladimir Shumeyko: I Have Always Supported a Strong Authority" — first paragraph is introduction]

[FBIS Translated Text] After the Federation Council's approval of the law on Duma elections, PRAVDA political observer Boris Slavin interviewed Vladimir Shumeyko, chairman of the upper chamber of the Federal Assembly. Without sharing Shumeyko's views the editorial office is sure that once readers have acquainted themselves with them they will draw the necessary conclusions themselves. The interview is published in abridged form.

[Slavin] Boris Filippovich, recently your appearances on television and in the press have become increasingly infrequent. Your rating is lower than Ivan Rybkin's [speaker of the State Duma]. What is the reason for this?

[Shumeyko] I do not think that is true; on the contrary, I have been quite active. As for popularity ratings, they always make me smile. They talk about the rating of influential political figures. The question is: What do these figures influence, when, and where?

[Slavin] Could you tell PRAVDA readers in greater detail about the essence of your work in the Federation Council and the functions of the upper house of parliament?

[Shumeyko] Three institutions take part in the legislative process. The State Duma is the lawmaking chamber proper, which implements all legislative initiatives and adopts laws. The Federation Council examines these laws and approves or rejects them (it does not have the power to meddle with or alter the text of a law). And finally there is the president. If the Federation Council approves a law it sends it to the president for final ratification. If not he sends it back to the Duma for further work. When adopting a law the Duma achieves a social consensus by coordinating the will of the political parties, factions, and movements. The Federation Council seeks a general state and territorial consensus by expressing the will of the regions. It has no factions or party divisions, all its members are absolutely equal. As chairman of the Council I, too, try not to favor one political force or another.

[Slavin] But people cannot be banned from having their own political convictions and you have them, too.

Incidentally, which bloc do you have sympathies for — Chernomyrdin's bloc or Rybkin's?

[Shumeyko] I do not have the right to belong to any of them because I have to express the interests of the regions.

[Slavin] Nevertheless, you take part in political life and often not impartially. One only has to remember how you campaigned for postponing the elections. Now, on the contrary, you are campaigning for them to be held on schedule. What are we to make of all this?

[Shumeyko] Unfortunately, we have not managed to adopt the necessary laws in the past two years. The Duma has adopted only one of 12 constitutional laws — the Law on the Constitutional Court. The deputies have only just begun work. Our chamber has also only just become a chamber of the regions and is beginning to meet present-day needs. But time has already run out. That is why I proposed extending the period of the Federal Assembly's work by means of a referendum, but that did not happen. That is distressing, of course. Many people are saying that we wanted to hang on to our seats and so on, but that is not the case. Since we were unable to alter the date of the elections constitutionally, they will have to be held on schedule in accordance with the Constitution.

[Slavin] What are your political views?

[Shumeyko] People often say — what is your political credo "for all time," as Ostap Bender used to say. I answer — the struggle to strengthen power. That is my essential nature as a politician. I am less interested in the form of state power. I am more interested in what kind of power it is — strong or not. This is probably due to my Cossack genes. You often hear it said that Shumeyko is Yeltsin's man. He is like a weather vane, whichever way Yeltsin turns, Shumeyko turns too. Yes, of course, if Yeltsin is working to strengthen power today I support him and if Ivanov does that tomorrow then I will work for Ivanov. No one will change my mind on that score. The strengthening of democracy in Russia is the essence of the strengthening of power.

In the past there was a centralized power. It corresponded to the planned economy and the socialist way of life. This was the normal closed system, but it lost the contest with the United States, which is also a closed system. In our country now there is no centralized power, no planned economy, no Soviet way of life. Admittedly, there is nothing else either. At the moment. From that viewpoint the priority is to strengthen the authorities. Without a strong authority there will be nothing.

[Slavin] What do you see as the shortcoming of the present authorities?

[Shumeyko] There is an enormous gulf between the authorities and society. The people demonstrate their power only once when they go to vote in elections. The higher the individual's level of consciousness when casting his vote, the greater his influence over those authorities via the person whom he elects.

Then the gulf opens up again because there is no day-to-day influence over the authorities. Society is not structured and the new political system is not working yet.

[Slavin] To the best of my knowledge you were in the Komsomol, you were a party member, a party committee member, and even secretary of a primary cell. That means that you shared the Communist ideals. How do they tally with your present views and ideals?

[Shumeyko] Well, I was always tremendously loyal to the state and patriotic even though I was a member of the Communist Party. I served more than 3 years in the Army on the front line of the socialist camp — in Germany. I was proud then and am proud now that I was on the front line, that as a young man I held an automatic rifle in my hands, and I was proud to be defending the things that I was defending. Yes, there is no getting away from that, nor can it be reassessed. Generally speaking, you cannot escape from yourself. I joined the party when they explained that the NATO countries were against us, that there were two camps, and so forth. Everything was simple and straightforward. There were two systems and a clear enemy. I had no doubts whatsoever that I was living the right way and doing the right thing. I would propose a law that stated that people who had lived under czarism have the right to live that way. People who have lived under socialism also have the right to live that way. The same goes for people living nowadays. There is no reason here to persecute anyone or point the finger at them, saying that they used to be communists, partocrats, and so on. I was quite a good party secretary but I became disillusioned with the CPSU during the elections of Russian Federation people's deputies when the CPSU rayon committee headed by Ivan Polozkov adopted a decision to elect Lieutenant General Vasilenko instead of Shumeyko.

[Slavin] So all that you have left from your old world outlook is patriotism?

[Shumeyko] Patriotism and much else from the past, including my experience as a director. When I joined the Gaydar Government, I did not have to deal with nuts and bolts, to put it crudely, industry, transport, and so on, I

was very soon removed from all that. I was given what they call ideology, the job that no one in the government wants: science, culture, education, social organizations, religion, etc, etc.

[Slavin] Why did they relegate you to ideology?

[Shumeyko] This happened because of my state position. After all, the market is not an aim. The market cannot be an aim. The state's aims are completely different. I have always said that and I always will. I have never backed down from that. The Russian state's aims are only just emerging today. We are going through a transitional period now, it is very tough, contradictory, terrible, there has been the collapse and so on, but this is inevitable. The political system is changing, the form of power is changing, everything in the state is changing. Since we have embarked on that road, we must stick to it.

[Slavin] You say that it is necessary to keep to this road, but if this road is enveloped in flames and offers no prospect of economic dividends, is it not better to stop and reconsider. Lenin, for example, immediately reaped a positive result from the New Economic Policy. Within a year he stabilized the Russian economy. Four years of economic reforms have produced nothing apart from talk about stabilization. Perhaps you are on the wrong road? I am not saying that it is necessary to go backwards, but it is necessary to recognize the mistakes. After all, it is a fact that there is no stabilization, nor has life improved.

[Shumeyko] Let us come to an understanding here. We live together. I do not believe that you can divide people into Communists and democrats. These are all conventional names. There is no left wing and no right wing. Let us sit down together, negotiate, and elaborate a common program. That would make sense.

Let us take a little look at history. Nothing that has happened in history passes without leaving a trace. It is 10 years now since the so-called perestroika began. That is, 10 years of ill-considered experiments that essentially led the economy into a complete blind alley and reduced it to a state of absolute zero. The most terrible crime was committed when the cooperatives were allowed to convert money from non-cash circulation into cash. As a result people hoarded everything, but if you reject money and move to a full barter system and there are no goods, ultimately you can expect civil war. Civil war must be prevented in Russia today because you can imagine what kind of war that would be when there are nuclear power stations around.

[Slavin] Your reasoning sounds like that of some of the opposition leaders.

[Shumeyko] What opposition? I have always reasoned that way, I have never backed away from that in my entire life. However, let us continue. The president of the new Russia faced a task: What is to be done? There were no commodities, there was nothing, and civil war was looming. There was only one way out — bring the goods back to the stores. Goods could only be brought back by deregulating prices. Those goods actually did come back, and the president who installed the Gaydar government did the right thing historically speaking. People were reassured and there were things to buy. Times have changed. Now there are goods to buy, but they are foreign made. Our commodity producers are suffering, there is unemployment and so on. But look at how much the situation has changed, now it is possible to seek a way out of this situation in a state of peace not civil war. But this has not happened and the reason is that fighting has started again: Not a civil war but a war among politicians. Two branches of power have gone to battle. You know all this.

Society still will not find the political peace to sit down calmly, think things out, and do everything possible for our commodity producers. All this has to be done but on a different qualitative basis. Now the accusations are flying: We had "shock therapy" and launched into the reforms without doing any of the sums. But how could you do them at a time when immediate action was called for. Everyone apart from Yeltsin postured and criticized. And they are heading in a different direction to this day.

[Slavin] But how can people not voice criticism if life is getting worse all the time?

[Shumeyko] Don't misunderstand me, it is not a matter of a permanent change of power. Power must be strengthened given that people have chosen democracy. No matter what Gennadiy Andreyevich Zyuganov says about the constitution today, it was adopted in the wrong way by the wrong people. He works according to this constitution and was elected under it. Power must be strengthened. There are democratic means of changing it — they are called elections.

[Slavin] Do you like Zyuganov's position and ideas? I find much in common between your views and his.

[Shumeyko] Zyuganov's party is not the Communist Party. I have said that to him, and I am saying it you now. The Communist Party is something else. The Communist Party in its strict sense implies a form of ownership by all the people. It does not allow private property or belief in God. A Communist is obliged to be an atheist and so on. In this regard just look at the materials of the Third Communist Party of the Russian Federation Congress and you will see the recognition of all forms of ownership and so forth. I

will explain it to you as a theorist. In content the party is social democratic. In my view it retains the name "Communist" so as to hold on to its voters.

[Slavin] You call yourself a patriot and you talk about cooperation with the left, so why are you so harsh toward the opposition press and, in particular, PRAVDA? For example, you once claimed that no newspaper bearing that name will be published, but it still is.

[Shumeyko] What do you mean?! As I see it, I saved PRAVDA from being bought out by the Greeks.

[Slavin] But the Greeks helped us at a difficult moment and are helping us now.

[Shumeyko] The main thing is that they haven't bought up everything. PRAVDA is a national brand name. Owning a brand name like that with its medals and decorations.... In a few years time this brand name will be priceless. To have retained it and endured everything that has happened since 1912 means a lot.

[Slavin] So why did you close PRAVDA down?

[Shumeyko] In those difficult times when I was press minister I tried to prevent a number of newspapers from publishing, PRAVDA included. PRAVDA held out longer than the rest, it resorted to harsh criticism, but it did not break the law. There was only one issue which contained calls to overthrow the existing authorities and calls to man the barricades (this is simply Shumeyko's opinion — editor's note). That kind of thing could not be tolerated either then, now, or ever. I acted absolutely correctly. PRAVDA reopened when it had stopped doing all those things. If you were to drop some of the prejudice and begin to notice the processes leading toward development in the regions, the newspaper would carry more weight.

[Slavin] But who is going to express the interests of the those humiliated and insulted by the reforms or the cries of those working people who are living below the poverty line?

[Shumeyko] Good question. But I am no specialist and I am not going to advise you on that.

[Slavin] You met with the president recently. What did you discuss with him?

[Shumeyko] We spoke for an hour. The Security Council is going to meet soon: Conclusions will have to be drawn from the recent events, not just organizational conclusions, either. The main thing is how to restructure the national security system so that it meets present-day needs; protection against espionage, including industrial espionage, ensuring that our commodity producers gain entry to the high technology market, and so on. We need

a powerful national security system, based on the army first of all, to protect our borders, the kind of system called the special services.

Take the example of Budennovsk. Even a child understands that Basayev was not heading toward Moscow at all. I, for example, understood that immediately, without the help of the special services. In a four-hour battle you will need more than just one clip of cartridges (the immediate conclusion is that it was organized in advance). That is indeed the case, this arms dump had been set up in the hospital in advance, there were large caliber machine guns, grenade launchers, and ammunition already in place there. Could this have happened earlier? It could not because there used to be the KGB, but it has been destroyed.

[Slavin] But you were in charge of that process....

[Shumeyko] And we did the right thing because there must be someone in charge of the process, it cannot happen spontaneously.

[Slavin] What is the implication of what you are saying?

[Shumeyko] It is necessary to look very closely at these tragic events now. Democracy as a form of power is one thing, a national security system is quite another. There must be one under any form of power: It must be developed, powerful, strong, and capable of protecting its state and its people. There is no such system now. All the agencies are autonomous now. They aren't subordinate to one another and so on. A system must be created that is capable of functioning. I hope that the Security Council will discuss this.

[Slavin] You said all this to the president?

[Shumeyko] Yes, we talked about this. He has exactly the same ideas — the system must be reorganized so that it is capable of functioning.

[Slavin] Is the introduction of 15,000 soldiers into Moscow not connected with that?

[Shumeyko] No. Do not misunderstand me, I have nothing to do with that.

[Slavin] What else did you discuss with the president?

[Shumeyko] The question of the formation of the Federation Council.

[Slavin] I still do not understand: Is the Federation Council going to be elected or appointed?

[Shumeyko] This is what we talked about. We have a bicameral parliament. The constitution even uses different terminology to distinguish between these chambers.... Article 95, part 2, says that two representatives enter the

Federation Council, one from the legislative organ of a component of the federation, the other from the executive. So here the word is "enter." As for the Duma it says that they are elected. In one case it uses the word "elections," in the other it says "is formed." In one case they are "deputies," in the other "members." In other words, in all these articles and throughout the text there are two completely different chambers. And the upper chamber must not be elected under any circumstances.

[Slavin] But the Duma has given a second reading to the law on the election of the upper chamber.

[Shumeyko] It has indeed but in our country no one apart from the Constitutional Court has the right to interpret the Constitution because many people would like to interpret the word "formation" to mean elections, but only the court can rule on that. On 4 July we are going to present a petition to the Constitutional Court on this question. If the law is not adopted, the president, as guarantor of the constitution, will ultimately have to issue an edict and write in it the words "until the publication of the law on the formation of the Federation Council to designate the following procedure for its formation."

[Slavin] So? Did the president accept your ideas?

[Shumeyko] Yes.

[Slavin] You talk a lot about democracy, but you will agree that the non-election of Federation Council members is undemocratic. U.S. senators are elected.

[Shumeyko] What do you mean, undemocratic? Do they have democracy in Britain? The upper chamber, the House of Lords, is appointed. There are hereditary peers and life peers there. They have never been elected. Yet its democratic system is considered highly developed.

[Slavin] Britain has a monarchy and other medieval vestiges.

[Shumeyko] But it is a constitutional monarchy based on democracy.

[Slavin] Do you want a constitutional monarchy introduced in our country?

[Shumeyko] I don't want anything of the kind. It is impossible to introduce a monarchy in Russia because there is no monarchy as such here. There are various branches of the Romanov dynasty but they are not Romanovs. And a new appointed sovereign is simply impossible.

[Slavin] The point is not the form of power but the essence. Yeltsin is fond of saying: "What I say goes." How is that different from a monarch?

[Shumeyko] And he is absolutely right. After all, the president appoints the government. The Duma only expresses its no confidence, which it has done. Now the president is going to decide whether to dismiss the government or dissolve the Duma. Ours is not a parliamentary republic but a presidential one. From the constitutional viewpoint, we are not interested in the parliamentary majority. In Britain the party which wins the elections forms the government and its leader becomes the premier.

[Slavin] But we do not have that kind of thing.

[Shumeyko] No, we do not. In our country the president does everything, regardless of the majority in the Duma. That is why the president was right when he said: "What I say goes." He disagrees with the Duma's opinion, he believes that the government is doing its job properly.

[Slavin] What happens if the Duma passes a second vote of no confidence in the government?

[Shumeyko] There will not be a second vote of no confidence in the government?

[Slavin] In other words the Duma, in your view, will pass a vote of confidence?

[Shumeyko] Most likely what will happen is this: The point is that the deputies are often concerned with other problems. If they pass a second no-confidence vote the president will dissolve the Duma. In that event the deputies will lose their offices, telephones, and aides. All the parties are represented there, after all. Supposing the Duma building is locked up, where will they go, what will do? They will never do that, never!

[Slavin] But why should they lock it?

[Shumeyko] Why? If the Duma is dissolved you are no longer a deputy.

[Slavin] You have strange notions of democracy.

[Shumeyko] I am a tough guy.

[Slavin] I would like to ask you a question connected with your personal ambitions. I could phrase that more mildly....

[Shumeyko] No, say ambitions because a politician with no thoughts of occupying a place on Olympus is not a politician.

[Slavin] So do you intend to occupy the top spot on that Olympus, in other words, do you plan to run for the presidency? You have the appropriate stature. Admittedly, so do Tuleyev, Nemtsov, and....

[Shumeyko] Nemtsov will be elected as a governor. In politics you have to be honest although Ruslan

Imranovich [Khasbulatov] said that politics is a "dirty business".... It is impossible for the president to say right now whether he will take part in the elections or not. He will do that on the eve of the elections so as not to destabilize society. Some people here have already announced that they are going to run for the presidency: Yavlinskiy, Zhirinovskiy, and Rutskoy. There are already enough of them to form a platoon. But there is a law that states that you can only be a candidate if the people have collected 1 million signatures for you.

[Slavin] But will you collect a million signatures?

[Shumeyko] I will but not personally. I have no political force behind me.

[Slavin] So who will collect them?

[Shumeyko] I travel around the regions and many people say to me that when the time comes to collect signatures they will collect them for me. If they collect a million I will stand for the presidency.

[Slavin] Perhaps you will actually become president or premier unless there is a social explosion in our country first and you are all swept away, which is perfectly possible. Even the intelligentsia and former dissidents are beginning to turn away from your regime.

[Shumeyko] It is true that the intelligentsia have moved toward you. It is obliged to be in opposition to the ruling system. It is the intelligentsia which overthrows the ruling system and introduces new formations. Thanks to the intelligentsia we have changed the form of power since the sixties. The fact that the intelligentsia has switched virtually entirely to the opposition to the new authorities suggests that society is becoming stable so long as a second coup does not take place. You said "if they do not sweep you away." In theory that is impossible.

[Slavin] Impossible politically or theoretically?

[Shumeyko] Theoretically because the period of stability should be fairly long now.

[Slavin] Do you believe in stability?

[Shumeyko] I cannot simply have faith, I am a pragmatist, despite the fact that I have a crucifix on my wall at home and I wear one on my chest. I believe in the Almighty.

[Slavin] But if you are a believer, you must not be a sinner. You should not be tainted with blood. Yet we have had the October events in Moscow and much else besides.

[Shumeyko] Well, October happened. What do they call it — the gunning down of parliament? In Russian the term "gunning down" ["rasstrel"] has only one meaning

— it is when unarmed people are lined up against a wall and shot. But that was a war between the two branches of power, there were no unarmed people there. Not a single member of parliament received even a scratch. That was no gunning down of the parliament. What happened was that the "White House" was shelled. Not one person died as a result of that shelling. The bloody tragedy was that the people who died had no connections with one power or the other. They were summoned there by one side or the other.

[Slavin] You are not objective. In my view the patriarch's representative at the talks was more objective when he learned of the bloodshed and said: "Both sides promised that there would be no violence. And what happened? They behaved hypocritically."

Regional Affairs

Russian-Chechen Peace Talks Continue in Grozny

Dudayev To Resign if Sovereignty Recognized

LD0307153995 Moscow ITAR-TASS in English
1529 GMT 3 Jul 95

[FBIS Transcribed Text, GROZNY, July 3 (ITAR-TASS) — Chechen separatist leader Dzhokhar Dudayev said he will step down if Russia recognizes Chechnya's sovereignty.

"I will step down with my Cabinet if the sovereignty of Chechnya is recognised," Dudayev told Arkadiy Volskiy, deputy head of the Russian delegation to the peace talks in Grozny, on Monday.

Volskiy confirmed that he had had a meeting with Dudayev last night. "We talked for almost four hours and discussed the so-called 'zero option'," Volskiy told journalists at a news conference devoted to the results of the second round of talks.

The "zero option" scheme proposed by the Russian delegation calls for the resignation of Chechen National Accord Committee Chairman Umar Avturkhanov, Prime Minister of the National Revival Government Salambek Khadzhiyev and Dudayev.

The third round of talks will begin at the headquarters of the mission of the Organisation for Security and Cooperation in Europe in Grozny on July 6.

Earlier today, a source in the Russian delegation told ITAR-TASS the talks may be suspended for a day or two to allow the Russian delegation to fly to Moscow for consultations with the government.

The key issue on the agenda is the political status of the Chechen republic.

Volskiy told ITAR-TASS that the Russian side proposed the following language: "the Russian Federation recognizes the sovereignty (independence) of the Chechen Republic based on the Constitution of the Russian Federation."

However, Usman Imayev, who leads the Chechen delegation to the talks, insists that the words "based on the Constitution of the Russian Federation" be removed from the text.

He also suggests considering the question of Chechnya's status after elections scheduled for November 1995.

Delegation Heads Comment on Talks

LD0307223695 Moscow ITAR-TASS World Service
in Russian 1707 GMT 3 Jul 95

[By ITAR-TASS correspondents Sharip Asuyev, Nikolay Zagnoyko, and Sergey Trofimov]

[FBIS Translated Excerpt] Groznyy, 3 July — The dialogue on a peaceful settlement of the conflict in Chechnya will continue at the level of experts on 4 and 5 July, Vyacheslav Mikhaylov, head of the Russian Government delegation, told today's news conference after the second round of the meeting in Groznyy ended. According to him, before the new round opens in the Chechen capital on the 6 July, experts are "to examine in greater detail a range of political and military problems," specifically to set up special commissions to supervise the observance of the agreements on the surrender of weapons by illegal formations. Also, the experts have been instructed to draw up proposals on "the principle of setting up republican and other electoral commissions to prepare and hold elections in Chechnya," Mikhaylov added. Consultations will continue, too, on other problems of interest for both sides.

Usman Imayev, head of the Chechen delegation who represents Dudayev's side, clarified for the news conference that the Arkadiy Volskiy-Dudayev meeting on the night of 2-3 July had not been "preplanned." According to Imayev, "there was no joint decision prior to the Volskiy-Dudayev meeting." In connection with the different interpretations of the concept of a "zero option" that had appeared, the Chechen side made clarifications that "participants in the talks have not yet got down to implementing and discussing the 'zero option,'" however it was adopted as a basis for discussing the Russian Government delegation's proposal. [passage omitted]

Chechen Commanders Skeptical of Talks

LD0307201295 Moscow INTERFAX in English
1827 GMT 3 Jul 95

[FBIS Transcribed Text] GROZNY, July 3 (INTERFAX) — Chechen field commanders doubt it makes sense to continue talks with representatives of federal authorities who "violate the initially agreed terms" of the moratorium on hostilities in several regions of Chechnya.

According to one of the four field commanders who arrived at the OSCE [Organization for Security and Cooperation in Europe] mission in Groznyy Monday, federal troops are violating the terms of the moratorium, while the Dudayev administration's Prosecutor General Usman Imayev asked Chechen militants "to restrain from hostilities for the period of the negotiations."

To a question on the possibility of terrorist acts on Russian territory the field commander said such acts were possible, but Dudayev "cannot bear responsibility for them, since it is an understandable emotional reaction to the attempted genocide."

He said his battalion was well-armed and ready to successfully combat Russian troops.

However, he acknowledged that his unit was suffering shortages of food and medicine.

"In particular, doctors have to amputate the arms and legs of my fighters due to the lack of medicine and medical equipment," the field commander said.

Russians Seek To Resolve Political Issues

LD0307210795 Moscow INFORMATSIONNOYE
AGENTSTVO EKHO MOSKVY in Russian
1902 GMT 3 Jul 95

[FBIS Translated Text] "To a proposal by the Chechen side to begin sorting out [realizatsiya] a bloc of military issues, representatives of the Russian delegation replied that 'until the bloc of political issues is sorted out, we cannot begin sorting out the bloc of military issues,'" Usman Imayev, the head of the Chechen delegation at the talks in Groznyy, said in an interview with the Ekho Moskvyy radio station.

"When we asked whether this means that the Russian delegation does not want the disarmament of the Chechen military formations, they replied 'yes.' I said: 'Let us begin, we are ready to disarm, we will surrender weapons and gradually withdraw troops.' The Russian delegation replied: 'No, wait to disarm until we have decided on the bloc of political issues,'" Usman Imayev said.

He said that the Russian delegation had asked for a working break for a trip to Moscow.

Progress of Grozny Talks Reported

MM0407084595 Moscow ROSSIYSKAYA GAZETA
in Russian 4 Jul 95 p 2

[Report by correspondent Vladimir Yanchenkov:
"Agreement Reached at Grozny Talks on Some
Positions by Means of Compromise"]

[FBIS Translated Text] Grozny — The busiest place in Grozny today is the market downtown. Here you can not only buy food and essential industrial goods brought in from neighboring regions by efficient peddlers but also meet friends and acquaintances and exchange news. People, many of whom have lost their homes and been deprived of basic living conditions (there is no water in Grozny and not all rayons have electricity), are not only concerned with temporary everyday adversities. They are most worried about Chechnya's future.

The vast majority of the people of Grozny, who have experienced the full horror of Dudayev's regime, unequivocally approve the line taken by the Russian and Chechen delegations in favor of a peaceful, political solution to the conflict. However, as I saw for myself during countless conversations, their opinions of the talks are extremely disparate. For instance, agronomist Said-Khasan Abdurakhmanovich Vazayev, who recently supported Dudayev, believes that his former idol has turned out to be a criminal, the accursed enemy of his own people.

Nonetheless most of the people to whom I spoke think that an agreement must be reached in order for the long-awaited peace to finally come to Chechnya. That is why the members of the two negotiating sides are sitting at the conference table without taking time off at weekends and without long breaks.

Last weekend and Monday they continued discussing the most difficult bloc of issues — the political bloc. Sh. Mesarosh [name as transliterated], leader of the OSCE mission in Grozny, noted that Saturday 1 July was the most successful day of the talks. This was also confirmed by Usman Imaev, leader of Dudayev's delegation, who read out the joint communique at the end of the day.

Discussing the problems associated with the holding of free democratic elections in the Chechen Republic, the sides reached agreement on the nonuse of force and the resolution of all matters by political means alone. The sides agreed to renounce vendettas and interethnic enmity. It was agreed to stop persecuting people who had taken part in the armed conflict and establish state

control over the mass media with a view to preventing articles that might damage normal interethnic relations.

It was decided to create a special reconciliation commission to examine cases of attempted vendettas or attempts to fuel interethnic enmity. They agreed to pursue a coordinated policy aimed at creating the conditions for the return of citizens who were forced to leave the Chechen Republic.

The sides agreed that the coming elections will be held with the participation of observers — representatives of public movements and organizations, political parties, organs of power, the OSCE, and other international organizations that want to help in preparing for and holding the elections. The entire population of Chechnya will take part in them, including those who were forced to temporarily leave the republic. All public associations that do not advocate war, violence, and interethnic enmity are allowed to take part in the elections.

In the opinion of Vyacheslav Mikhaylov, leader of the Russian Federation Government delegation, the issues of Chechnya's status and the personal future of Dzhokhar Dudayev have posed a major problem at the talks, one which is putting back the complete resolution of all aspects of the political bloc of issues. The Russian side is insisting on recognizing the sovereignty of the republic as part of the Russian Federation as follows from the current Russian Constitution. Dudayev's side, while agreeing to that in the future, is today demanding recognition of Chechnya's total independence from the Russian Federation.

Under the "zero" opinion proposed by the Russian delegation U. Avturkhanov, chairman of the Committee of National Accord; S. Khadzhiyev, chairman of the Government of National Revival; and Dzh. Dudayev should quit their posts. As you know, the first two Chechen politicians agreed to resign, but on condition that Dzh. Dudayev also resigns unconditionally.

Stop-Press....

As soon as it becomes necessary for me personally to take part in the Chechen peace talks I will immediately join them, Viktor Chernomyrdin told an ITAR-TASS correspondent yesterday. According to him, "now is the time when the negotiating process has picked up the requisite momentum and we have no right to make a mistake, we must show more presence of mind.

Wen asked by ITAR-TASS how founded are the military's fears that Dudayev's followers will take advantage of the truce to regroup their forces, Viktor Chernomyrdin said: "It will be the worse for those who regroup." Dudayev's supporters who intend to continue

the war must realize, the premier stressed, that "there will be no second talks." We once again urge everyone to bring the talks to a conclusion and put a complete end to the war.

Another major task, Viktor Chernomyrdin said, is to hold free elections in Chechnya at the end of the year, during which the Chechen people will themselves elect the authorities — people who want peace for the republic and wish it well.

The Russian head of government was talking to journalists during the opening ceremony to mark the refurbishment of Moscow's Yaroslavl Station.

Bilateral Commission Starts Work

LD0407090395 Moscow ITAR-TASS in English
0831 GMT 4 Jul 95

[By Sharip Asuyev, Nikolay Zagnoyko, and Sergey Trofimov]

[FBIS Transcribed Text] GROZNY July 4 (ITAR-TASS) - Formation of a watchdog commission to control observance of the moratorium in Chechnya and disarmament of illegal armed detachments is one of the main issues of the bilateral expert commission which started its consultations in Grozny on Tuesday.

The consultations are being held in the framework of the talks between the Russian government delegation and representatives from separatist leader Dzhokhar Dudayev. An interval was announced for the "big-format" talks on Monday. They will be resumed on July 6.

ITAR-TASS learnt from reliable sources that experts were also instructed to draft proposals on preparation and holding of elections in the Chechen Republic, scheduled for November 5.

The sides will discuss principles of setting up a republican electoral commission, its quantitative and personal composition.

Russian Negotiators Leave for Moscow

LD0407113495 Moscow ITAR-TASS in English
1038 GMT 4 Jul 95

[By Sergey Trofimov]

[FBIS Transcribed Text] GROZNY July 4 (ITAR-TASS) — The Russian delegation at peace talks in Chechnya left Grozny for Moscow Tuesday for consultations.

The team will, evidently, try to clarify how to meet the Chechen independence demands without violating the Russian constitution.

Chief Russian negotiator Vyachelsav Mikhaylov told Tass before departure that the second round of talks was "the most productive" and that his delegation was leaving for Moscow to "inform the leadership of the Russian Federation about the course of talks and to agree on certain positions".

He explained it was necessary to "specify certain aspects which were to correspond to the provisions of the Russian constitution and the norms of international law".

Earlier Mikhaylov said Moscow was ready to "confirm the sovereignty of Chechnya within the Russian Federation". However, Chechen separatist leaders insisted on total independence for their republic which would be a violation of the Russian constitution which lists Chechnya as a subject of the Federation.

Moscow also proposed a zero option which would mean that both Moscow-backed Chechen authorities and separatist leader Dzhokhar Dudayev step down. Dudayev said he was ready for that in case Moscow recognises Chechnya's sovereignty.

"The task is to find a compromise which would bring accord and peace in a constitutional way. Everybody would profit by peace", Mikhaylov said.

He added that "the second round of talks was the most productive although it proceeded difficultly".

"There are no easy ways of solving the existing problems", he admitted.

The peace talks are scheduled to resume Thursday.

Dudayev Rejects 'Zero Option'

MM0407113895 Moscow IZVESTIYA in Russian
4 Jul 95 p 1

[Report by Igor Rotar: "Dudayev Rejects Zero Option. Search for Compromise Continues"]

[FBIS Translated Text] Grozny — The third round of talks between the Russian delegation and Dudayev's delegation has by all accounts entered a new phase. The main stumbling block has been the refusal by the Dudayev delegation to acknowledge the so-called zero option: The current and previous governments resign and a new coalition government which will include representatives of all of the republic's political forces will be formed at elections scheduled for 5 November.

On 2 July the Russian delegation demanded that Dzhokhar Dudayev should state his attitude to the zero opinion once and for all. In response, Usman Imayev, head of the Dudayev delegation, stated that Dzhokhar Dudayev agrees to discuss this question with Arkadiy

Volskiy, a member of the Russian delegation. On the same day, Volskiy departed for a meeting with Dzhokhar Dudayev. On 3 July, Volskiy returned to Grozny, but the member of the Russian delegation had not managed to obtain Dudayev's agreement to the zero option.

And so, after a week, the talks are virtually at a standstill. Perhaps the only thing that it has proved possible for the opposing sides to reach agreement on is the discontinuance of military operations and the elaboration of a mechanism for disarmament. It is being proposed that disarmament will start in the southern mountainous areas, where the main forces of the gunmen are concentrated, and will gradually spread to the whole territory of Chechnya. The troops will be withdrawn from a specific area straight away following the disarmament of the local Dudayev gunmen.

"As evidence of our good will, we are withdrawing part of our combat hardware and destroying it in the city of Grozny," Usman Imayev, head of Dudayev's delegation, told journalists triumphantly.

In reality, however, the destruction of combat hardware is no more than a show of propaganda to which the large number of journalists covering the development of the talks in Grozny were invited in advance.

"What talk can there be of a cease-fire — the 'Grad' systems in the mountains are in action practically non-stop along the entire front-line," "Vesti" correspondent Sergey Zelin, who has just returned from Vedenskiy and Achkhoy-Martanovskiy Rayons, where the gunmen's main bases are located, told me. "When we approached the last Russian post, the servicemen opened fire on our vehicle. We did not obtain any intelligible explanations as to why a vehicle which was proceeding from 'liberated' territory, was fired at."

The servicemen who came out to meet us made a very strange impression on us altogether.

"Can you smell the permanent stench of corpses coming from the ravine? When a bearded man comes down from the mountains, we shoot him on the spot without any unnecessary talk. Why stand on ceremony: If he does not shave, that means he is a gunman, an enormous soldier under contract says to us with a voluptuous smile.

The declaration on a cease-fire has agitated the republic's population. Local inhabitants recognize journalists in a flash.

"What are we talking about, Igor? Of course the truce is being violated," S. Khadzhiyev, prime minister of the

Chechen Republic, says, not even trying to refute my arguments.

But if the truce is not being observed, then it is obvious that there can be no question of the declared disarmament taking place.

The process of the talks is not being helped by the tyranny of the federal troops even in the Chechen capital, which is calm by local standards. Thus, in the night of 2 July, two vehicles were fired at, at pointblank range, from a Russian Federation internal troops fortified position. As a result a woman, her baby, and four men died.

In the morning, when we approached the site of the incident, the crowd was on the point of tearing apart the completely innocent Chechen militiamen, accusing them of working for the occupiers. Such actions by the federal troops do damage primarily to the political parties in the republic which are advocating that Chechnya should remain as part of Russia.

The day after the tragedy, representatives of the Dudayev delegation read out a statement of protest, I was told by Shamil Beno, a representative of Chechnya's public movements at the talks.

Nevertheless, the Russian delegation is not losing its optimism.

"There has not been such a good time for beginning talks since December. A lot of factors have promoted this, including the change in the sociopolitical situation in the country," Vladimir Zorin, first deputy head of the Russian Federation Chechen Republic Territorial Administration, told me. "Their difficult military position is also making Dudayev's men more compliant, in the opinion of the Russian side. Today Dudayev is only controlling 5 percent of the territory, and his army not only does not have enough ammunition, but it does not even have enough basic food supplies."

"When I went to have talks with Aslan Moxhadov, we were given a very modest dinner. I am well acquainted with the East, and I understood straight away that if a host receives his guests like this, then things are going very badly for him," one of the leaders of the territorial administration said about the observations he had made.

But the breakdown of the talks would suit Moscow more than Dudayev. Elections will be held 5 November in Chechnya regardless of the results of the present meeting. It would be naive to think that the situation on the front line will change in Dudayev's favor by then. And if no agreement is reached, then the supporters of Chechen independence will not be able to participate

in the elections, and, consequently, obtain some of the seats in the new parliament.

Mikhaylov Comments on Talks

*LD0407185995 Moscow Russian Public Television
First Channel Network in Russian 1700 GMT 4 Jul 95*

[From the "Vremya" program]

[FBIS Translated Text] Before leaving Grozny, Vyacheslav Mikhaylov, head of the Russian delegation, gave an exclusive interview to our program at the Severnyy airport.

[Begin recording] [Unidentified correspondent] What is your view of the talks that have been held?

[V.Mikhaylov] Well, this time the talks were quite difficult because we have approached the central question related to the formation of bodies of authority. Our principle is that these elections should be prepared and held by public and political forces which exist in reality, and we regard the National Accord Committee as one of them, first of all. A status of the Chechen Republic within the Russian Federation should be determined after the elections on the principles of agreement and on the basis of the Russian Federation Constitution and a newly-adopted Constitution of the Chechen Republic. This is a fundamental issue which reflects reality. [end recording]

Imayev: Yeltsin Edict Threatens Talks

*LD0407201195 Moscow INFORMATSIONNOYE
AGENTSTVO EKHO MOSKVY in Russian
1640 GMT 4 Jul 95*

[FBIS Translated Text] "We consider that the edict signed by President Yeltsin is a violation of everything that has been achieved during the talks," Usman Imayev, head of the Chechen delegation at the Grozny talks, told the Ekho Moskvyy radio station.

He said that by the evening of 4 July, information had started coming on a massed advance of Russian troops along the whole line of contact. He also said that Russian troops had advanced 18 km toward Kharchinoy near Shatoy.

"The Russian side has unilaterally breached the moratorium and fighting has started," the head of the Chechen delegation said. We hoped that the Russian side had recognized what was happening, but we have made a mistake. We have been forced to protect our country and our land. The Chechen side will have to defend itself from the advance of the Russian troops; this is self-defense rather than a breach of the moratorium."

The negotiations have not broken down so far, Usman Imayev said, but "the position of the Russian delegation will be unclear under the bombs." The head of the Chechen delegation intends to try and contact the Russian delegation or to receive some information from the OSCE [Organization for the Security and Cooperation in Europe] office.

"We will go to the talks in Grozny as planned. We are ready, but I do not know what kind of developments there would be," U. Imayev said.

Volskiy Interviewed on Talks

LD0507110595

[FBIS Editorial Report] Moscow Russian Public Television First Channel Network in Russian at 1925 GMT on 4 July during the 15-minute "Versions" current affairs program carries a recorded interview with Arkadiy Volskiy, member of the Russian Federation government negotiating team in Chechnya. Program announcer Sergey Dorenko conducts the interview in a car on the evening of 4 July while en route to Moscow city from the airport.

Asked about the progress of the Chechen negotiations, Volskiy says: "I should like to say straightaway that the Russian government delegation is conducting talks with two sides. The first is the side in conflict with Russia which is drawn into the armed conflict, what we call the Dudayev side, and a second side, which considers that Chechnya and the Chechen Republic should be part of the Russian Federation, as exemplified by Lecha Magomayev, deputy chairman of the Committee of National Reconciliation, deputy prime minister Abdulla Bugayev, Prime Minister Khadzhiyev, and others."

Volskiy names the OSCE as a third side, so that there are four sides in total, counting the Russian government.

Dorenko asks about Volskiy's meeting with Dudayev, saying that some people did not believe it took place.

Volskiy replies: "Yes, the meeting did take place, it was rather difficult, I can say frankly, if you consider that it was a long way from Grozny and that we had to make our way there along mountain paths." Volskiy adds that the talks lasted from 0030 to 0415.

Asked about the impression Dudayev made, Volskiy says he was very much the general. Volskiy says that the government delegation rejects any sovereignty which presupposes the withdrawal of the Russian forces and Chechnya's leaving the Russian Federation.

He goes on: "I wish to say that on the military section we did reach agreement. The Dudayev side begged us not to call this capitulation. That is natural. But we found the

word disarmament. We signed a protocol at a very high level. Incidentally, Dudayev authorized a delegation at a very high level - that is, comprising the parliament speaker, the minister of justice, the procurator general, the minister of culture, field commanders, and Chief of General Staff Maskhadov."

Asked if the Chechens might not go for each other's throats after peace is established, Volskiy says that this is perhaps the most serious question. He adds that the Russian forces and Chechen sides have agreed to have their own observation and control commissions and these have now flown out to four areas. We are ready to accept international observers too, Volskiy adds.

Asked about jealousy between Basayev and Dudayev, Volskiy says he cannot see that, and as to Basayev's brother taking part in the talks, he is there as a military expert and not as a member of the delegation.

Asked if the president and prime minister are united, Volskiy says that they are so far, but as to what will happen today or tomorrow we shall have to see.

Finally, Dorenko hopes for peace and plays a tape of Russian prisoners-of-war for their mothers to see they are safe.

Stavropol Governor Agrees To Resign

LD0407164895 Moscow INTERFAX in English
1227 GMT 4 Jul 95

[FBIS Transcribed Text] STAVROPOL, July 4 (INTERFAX) — Stavropol Territory Governor Yevgeniy Kuznetsov has agreed to step down, the press-service of the Stavropol territory's administration has said. Kuznetsov, who is now in Moscow, made this decision on Monday evening after meetings with Federation Council Chairman Vladimir Shumeyko, Chief of Staff Sergey Filatov and Prime Minister Viktor Chernomyrdin.

The press-service of the Stavropol territory's administration has no detailed information about the terms of the agreement.

The compromise prevents a confrontation between the Federation Council and the president on the future of the Stavropol governor, the territorial administration has said.

Earlier, the State Duma of the Stavropol Territory, the Stavropol Cossacks, the Caucasus Cossacks and other influential forces in the territory had protested President Yeltsin's decision to dismiss Kuznetsov following the Budennovsk tragedy.

Kabardino-Balkar Parliament Speaker on Regional Powers Plan

954F2650A Nalchik KABARDINO-BALKARSKAYA
PRAVDA in Russian 27 Jun 95 p 1

[Speech of Zaurbi Nakhushhev, speaker of the Legislative Chamber of the Parliament of the Kabardino-Balkar Republic, to Russian Federation State Duma; date not given: "Curtsies in the Direction of National Problems Are No Substitute for a Nationality Policy"—first two paragraphs are introduction]

[FBIS Translated Text] Parliamentary hearings have been held in the State Duma of the Federal Assembly of the Russian Federation on the subject "The Draft Federal Laws 'General Principles of the Delineation of Terms of Reference and Authority Between Organs of State Power of the Russian Federation and Organs of State Power of Components of the Russian Federation' and 'Procedure and Principles of the Delineation of Terms of Reference and Authority Between Federal Organs of State Power and Organs of State Power of Components of the Russian Federation'" (we would observe that the first document was submitted by the State Duma of the Federal Assembly of the Russian Federation, the second, by the president of the Russian Federation). Zaurbi Nakhushhev, chairman of the Council of the Republic, and Makhmud Zhaboyev, chairman of the Council of Representatives of the Parliament of the Kabardino-Balkar Republic, took part in the hearings.

Considering the general interest in the subject discussed in the State Duma, we offer for readers' attention the speech at the hearings of Zaurbi Nakhushhev, speaker of the Legislative Chamber of the Parliament of the Kabardino-Balkar Republic.

I was prompted to request a hearing not so much by the urgency of the problem being considered as by concern for the consequences of the adoption of the bills under discussion.

How justified and necessary is such a law? Part three of Article 11 of the Constitution (Basic Law) of the Russian Federation proclaims: "...The terms of reference and authority between organs of state power of the Russian Federation and organs of state power of the components of the Russian Federation shall be delineated by the constitution and the Federative and other treaties delineating terms of reference and authority...."

As can be seen from this constitutional provision, authority and terms of reference may be delineated only by the Constitution of the Russian Federation, the Federative Treaty, and other treaties. No provision

is made for a delineation of terms of reference and authority by means of federal law.

The Russian Federation is a federative state composed of components of the Federation, which may transfer authority to the competence of the federal organs of state power on a voluntary basis, that is, on the basis of a treaty. We have a sufficiently precise and specific Federative Treaty, a considerable part of which is devoted to questions of the delineation of terms of reference and authority between the federal organs of power and organs of power of the components of the Russian Federation.

There is no doubt that a situation in which the Constitution of the Russian Federation and the constitutions and charters of components of the Russian Federation have variant readings does not inspire optimism. And the concern of many people, including the drafters of the bill, for the integrity of the Russian Federation is perfectly explicable here. This problem is of no less concern to us also. Nonetheless, I have to say that the question is at times raised in overdone, exaggerated form. Practical work in this direction, on the other hand, has already offered many ways of overcoming the ambiguous situation. Primarily the practice, which is based on a constitutional foundation, of treaties between organs of state power of the Russian Federation and its components, which affords an opportunity for account to be taken of a number of particular features. After all, however they are denied, this is an essential part of Russia's realities.

The treaty between Russia and Tatarstan signed in February 1994 was perceived by many people as a prerequisite of the disintegration of the Russian Federation. But time has shown the soundness of this step. Similar treaties were subsequently concluded with other components of the Russian Federation also, the Kabardino-Balkar Republic included. Today we declare confidently that these treaties have become a principal ingredient of sociopolitical stability in these components, the basis of the consolidation of diverse ties, and evidence of mutual understanding.

Such a decision, in my view, is the first step in a rejection of unitarism, it is a constitutional model for the future relations of the center and the components of the Russian Federation.

Nonetheless, inasmuch as the question of the adoption of a law on the delineation of authority and terms of reference between the levels of power has been put on the agenda, let us analyze the proposed bills.

First of all, a bill of such a nature should correspond fully to constitutional provisions, the Federative Treaty, and the treaties the Russian Federation has already con-

cluded with components of the Federation. From these standpoints I consider more acceptable the draft proposed by the president, although I have criticisms of this also. This bill affords an opportunity for the consideration of a wide range of specific circumstances and salient features. Both the social and ethnocultural specifics of a given component of the Russian Federation and its significance in the system of the country's security, the stability of the political situation, the presence of strategic reserves, and so forth may be put in this category.

The appearance of the bill proposed by the State Duma is logical if we consider the previous efforts pertaining to the state and territorial arrangement of the Russian Federation. These amount to a huge number of projects—from Aleksandr Solzhenitsyn's not-unknown "How Are We To Reconstitute Russia?" through the "Concept of a New Regional Policy," which was the subject of parliamentary hearings this February. An aspiration to substitute for nationality policy a regionalist policy with certain curtsies addressed to national problems may be traced distinctly in all these strivings. And whereas at the early stages the question of the need for a concept of nationality policy worked out in detail was raised, it is as though this problem has been forgotten as of late. Understandably, the abolition of the national-state formations within the Russian Federation would remove the question of nationality policy also.

To some extent such constructions became a part both of the Constitution of the Russian Federation and the Federative Treaty also. The core of these efforts is the idea of the conversion of the Russian Federation into some state formation which is uniform in the sociopolitical sense, and if we are talking not actually about provinces, then we are talking of something similar. There is no longer any place in this state and territorial structure of the Russian Federation (the very term "federation" loses its original meaning in this case, incidentally) for national-state formations. They would be reduced, at best, to the level of purely ethnographic formations with the important-sounding name of "national-cultural areas." You do not have to be a seer, I believe, to compute their further fate. The proclaimed equality of today's components of the Russian Federation is, in fact, becoming a direct threat to the existence of peoples and nationalities.

The proposed draft federal law "General Principles of the Delineation of Terms of Reference and Authority Between Organs of State Power of Components of the Russian Federation" is based on several defining points:

the total leveling of the components of the Russian Federation in terms of status, which, owing to the

well-known circumstances (we have spoken about them earlier), is perceived quite negatively by the national-state formations within the Russian Federation;

a number of propositions of the "General Principles...." prohibit the specification of and amendments and addenda to provisions of the Federative Treaty. Yet life does not stand still, each day the situation changes and demands new approaches and methods.

The procedure of the transfer of authority is very complex and protracted, which is entirely unwarranted. After all, a merit of the practice of treaties is the possibility of a prompt solution of problems.

The procedure of the participation of components of the Russian Federation in law-making in respect to subjects of the joint jurisdiction of the Russian Federation and its components proposed in the draft "General Principles...." affords opportunities, rather, for the exclusion of this participation.

We could dwell on several further points of a narrower nature, but I believe that the arguments cited are sufficient for speaking of the imperfection of the bill offered on behalf of the State Duma.

I would like in conclusion to emphasize the complexity of the sociopolitical and ethnocultural structure of the Russian Federation. Attempts to build institutions of the federative state on the basis merely of territorial division, attempts at total standardization, and a departure from the provisions of the Federative Treaty and the acts supplementary to it threaten misunderstanding and conflicts between the federal organs of state power of the Russian Federation and its components and, ultimately, the integrity of the Russian Federation.

Thank you for your attention.

Tatarstan, Iraq Sign Cooperation Protocol

954F2667A Kazan IZVESTIYA TATARSTANA
in Russian 28 Jun 95 p 1

[Unattributed report: "We Need To Be Ready for the Future"]

[FBIS Translated Text] A news conference devoted to the results of the visit of a delegation of the Republic of Tatarstan to the Republic of Iraq which he led was held in Kazan yesterday by R. Muratov, first deputy prime minister of the Republic of Tatarstan.

We would recall that the visit took place from 12 through 16 June and was packed, as already reported in the republic press, with negotiations with the leaders of a number of leading ministries of Iraq on the development of cooperation in the sphere of economics, trade, and culture, which culminated in talks between the first

deputy prime minister of the Republic of Tatarstan and Iraqi Vice President T. Ramadan and the signing of a protocol on principles of the cooperation of Tatarstan and Iraq in the said spheres.

Yesterday's meeting between R. Muratov and also T. Akulov and R. Akhunov, advisers to the Government of Tatarstan, and journalists permitted clarification of certain substantive points of these negotiations.

Fundamentally, the purpose of the trip was the preparation of a springboard for a sharp expansion of mutually profitable cooperation immediately following the lifting or easing, which is expected in the near future, of the UN sanctions against Iraq imposed after Saddam Husayn's forces' invasion of Kuwait. In the "pre-sanction" period, Tatarstan was quite noticeably represented in the economy of Iraq by petrochemical and mechanical engineering products, and our oil workers were active here, and we would not like, naturally, to lose these positions, especially since the Iraqi side is, for example, more interested today than earlier, even, in the development of the field "reserved" to the Tatneft Stock Company, in the purchase in Tatarstan of prescription drugs, KamAZ's, and vehicle tires, in the training of its specialists at Kazan's higher educational institutions, and so forth.

Consolidating its position in these and some other segments of the Iraqi market would be very advantageous for Tatarstan also, but the degree of risk in realizing this deal or the other is as yet so high that, according to R. Muratov, we need to have dual insurance. This, as may easily be suspected, could be provided by the guarantee support for the contracts by Iraqi oil, the reserves of which in terms of the prospected fields alone constitute approximately 150 billion tonnes. It is not surprising, therefore, that the first deputy prime minister of the Republic of Tatarstan was accompanied on his trip to Iraq by executives of the Suvar Stock Company—the organization that handles Tatarstan oil exports on a monopoly basis.

At the same time, on the other hand, R. Muratov commented positively on the engineering potential and qualifications of Iraq's worker personnel and on this country's aspiration to build its future not on the exploitation of raw material reserves, but on technologically efficient processes, which coincides with the economic policy of Tatarstan and affords abundant food for an exchange of experience and a search for optimum paths of development.

Responding to IZVESTIYA TATARSTANA's question, the first deputy prime minister confirmed that the Tatarstan delegation's visit was wholly in the channel

of the policy of the Russian state in the Iraqi area, emphasizing that it is a question both of realization of our republic's right to independent management and of efforts harmonized with the federal authorities geared to a normalization of interstate relations and an expansion of the export possibilities of both the Republic of Tatarstan and the Russian Federation as a whole.

Having touched in this connection on the prospects of the lifting of the UN sanctions against Iraq, R. Muratov observed that on the purely human level, from humanitarian standpoints, he did not understand how it was possible to so cruelly block the possibilities of the elementary survival of the most ordinary people and not spare the children, who are just about dying from emaciation. In R. Muratov's opinion, the sanctions against Iraq have gone beyond the point at which they might have pressured the ruling regime and are only strengthening it, consolidating the people. The sole explanation for the fact that they have not, as before, been lifted, despite the fact that Iraq has complied with the demand of the international community for the official and unconditional recognition of the sovereignty of Kuwait, is the aspiration of influential forces of the United States to dictate their policy to the states of the region dependent on supplies of Iraqi oil.

Answers were also given in the course of the news conference to certain other questions.

Tatarstan Premier on Government Reorganization

954F2649B Kazan RESPUBLIKA TATARSTAN
in Russian 24 Jun 95 p 3

[TATAR-INFORM report: "Stable Government—Stable Economy"]

[FBIS Translated Text] Everyone at the current plenary session of the State Council awaited with particular interest the RT [Republic of Tatarstan] Prime Minister Farid Mukhametshin's presentation "On the Structure of the Cabinet of Ministers of the Republic of Tatarstan-Government of the Republic of Tatarstan." The reasons are understandable. The current structure had been approved before the adoption of the new RT Constitution, before the beginning of large-scale reforms. The main purpose of the proposed draft on changes, noted the prime minister, is to strengthen and better organize the system of state administration. It fully conforms to the principles codified in the concept of reform of the republic's representative and executive organs of state authority.

First of all, the plan proposes the formation of two new committees: the RT State Committee on Privatization of State Property and the RT State Committee on Emer-

gency Situations. How necessary is the former, considering that we already have the Goskomimushchestvo [State Committee for Administration of State Property]? F.Kh. Mukhametshin explained that the proposed changes are necessitated by the urgency to separate the functions of administration of state property and denationalization of property. The Goskomimushchestvo in its current form has grown into an unwieldy and hard-to-manage body of intersectoral administration. Concentrating in the same hands the powers of the seller of state property and that of manager of the entities that remain under state ownership does not contribute to the development of market relations.

Now, regarding the need to create an RT State Committee on Emergency Situations. So far there have been no major disasters in Tatarstan, but the republic is full of large chemical production facilities, VPK [military-industrial complex] enterprises, and petroleum facilities. This state committee is being created within the framework of the RF [Russian Federation] MChS [Ministry of Civil Defense, Emergency Situations, and Recovery From Natural Disasters] and will be included in the integrated network, with the attendant financing, availability of special equipment, and personnel.

Next the prime minister described the proposed changes in the currently functioning ministries and committees. They are caused by the need to bring into concordance the name of the state administration body and its functions. In addition, the proposed changes will help eliminate duplication by ministries and state committees in exercising their administrative authority. In this connection, the Ministry of Enlightenment is being reorganized into the RT Ministry of Education. It will get a new function: administration and coordination of activities of institutions of higher learning in the republic, its scientific human resources. The government in the past oversaw higher schools too, but because of the lack of a special administrative structure many vital problems fell through the cracks.

On the other hand, there is no longer any need for an administrative structure such as the Ministry of Consumer Services. As market relations develop, a considerable number of consumer services enterprises and organizations are becoming independent, and there is no need for state administration of the sector at ministerial level. True, there is still some need to coordinate the activities of consumer service enterprises, but these functions will be carried out by the RT Ministry of Trade and Consumer Services. The functions of the Public Catering Administration also will be transferred to this ministry.

There was a proposal to abolish the State Committee on Cinematography too, since there is no money for its

maintenance. However, its line of work will be fully preserved, and will be carried out by the Ministry of Culture and its special unit, the speaker stated. There is also a proposal to create cinema associations on a joint-stock basis.

An earlier decision of the Supreme Soviet formed a State Committee on Coordination of Policy in the Area of Product Quality, Price Formation, and Protection of Consumer Rights. Now, the prime minister said, we need to expand its functions and adapt it to the market in a more structured way. This committee will devote less effort to price-setting and will concentrate its attention chiefly on protection of consumer rights. Hence the proposal to reorganize it into the RT State Committee on Protection of Consumer Rights.

The structure of the apparatus of the Cabinet of Ministers Secretariat also will be changed: It will become more flexible, mobile, and capable of providing timely and competent support for the work of the government.

In keeping with the proposed structure of the Cabinet of Ministers, the prime minister carries out general supervision of the government's activities, while each of his deputies is functionally assigned a particular economic sector or sphere of activities. Some heads of ministries and agencies combine their job with that of deputy prime minister. The reason is the need for direct representation of key ministries and agencies in the Presidium of the Cabinet of Ministers, which will enable it to devote more attention to the most important issues.

After the Farid Mugametshin's address, the auditorium engaged in a lively, involved conversation. Deputies analyzed the situation from all aspects, taking into account both the dynamic development of market relations and the limitations of the republic budget, and, as a final goal, the urgent need to qualitatively improve the management of socioeconomic processes.

Then President Mintimer Shaymiyev took the floor. He said, in particular:

"Organs of administration must be adequate for what is currently happening in society as economic reform proceeds; they must change and improve."

Noting that the proposals voiced in the course of discussion had basically been coordinated with the deputies, the president commented on the proposal to create a State Committee on Geology. It is hard to argue that there is a need to create such a committee, emphasized M. Shaymiyev. But there are also other forms of work. We could have a special service within the State Committee on Natural Resources. But first of all we need to raise the responsibility and the role

of republic Commission on Mineral Resources. And in general we need to utilize more effectively the activity of commissions under the Cabinet of Ministers instead of creating ministries or state committees on every subject.

With respect to the proposal to create a State Committee on Ethnic Issues, the president noted that such committees are more suitable for oblasts and krais with a territorial-administrative system, but are not suitable for ethnic state formations, which Tatarstan is. We in our republic deal with these issues daily and to a full extent, he emphasized. Creating such a committee, as one deputy remarked, actually may even encroach on the breadth and comprehensiveness of approaches already worked out in the republic with respect to the conduct of ethnic policy.

In discussing the future structure of the Cabinet of Ministers, the intent to liquidate the State Committee on Cinematography brought about considerable criticism. T.A. Minnullin, R.G. Minnullin, R.K. Belyayev, and others proposed to keep it. The president supported the deputies and asked that the committee be dropped from the list of entities to be abolished and given the opportunity to improve its work.

State Council Chairman Vasily Likhachev, who chaired the meeting, noted that today's decision is not a dogma: Life brings up new questions, and new structural changes are ahead for us.

After incorporating the proposals, the deputies adopted the draft as a whole.

Tatarstan Premier Tours Southern Drought Areas

954F2676A Kazan *RESPUBLIKA TATARSTAN*
in Russian 29 Jun 95 p 1

[Report by A. Malikov: "Face to Face With the Drought: Prime Minister's Tour on the Eve of Harvesting"]

[FBIS Translated Text] Tatarstan's Prime Minister Farid Mukhametshin is touring the republic's southern regions these days. The main purpose is to personally familiarize himself with the situation in the agrarian sector of the national economy.

And the situation is turning out to be quite difficult, due to the extremely severe drought, the like of which even old-timers cannot recall. Precipitation during this current, unusually hot, June has been four to five times less than normal. Therefore, it is already obvious that it will be impossible to get a full volume of grain crops yield this year. It is doubtful that enough fodder for livestock will be laid in. Difficulties also are anticipated in providing the population with the "second bread"—potatoes.

In these conditions, the situation can be substantially rectified only by all-out mobilization of all resources—human, material and technical, and organizational. The republic leadership, concerned with the current situation, is taking all measures.

On 28 June, F. Mukhametshin was in Spasskiy Rayon. Its rural workers are among the first in the republic to begin harvesting the crops. It is here, as well as in neighboring rayons, that the necessary corrections can be made to the strategy of the harvesting campaign. Visiting agrarian entities of different specializations, the prime minister pays most attention to the problems involving the readiness of harvesting equipment, the supply of lubricants, fuels, and spare parts for it, the availability of mechanics, the readiness of threshing areas, grain dryers, and winnowing units.

The head of the government is concerned with the situation in laying in fodder. The yield from the first mowing of perennial grasses was lower than last year. But not everything is lost yet. It is necessary to intensively plow the areas with old, low-yield perennial grasses and sow the vacated land for the second time this year with fodder crops, as well as use the fodder base reserves: variegated grass, branches, straw left from last year. At the same time, supply of fodder for private plots should not fall through the cracks—we cannot allow a forced reduction of the herd in the hands of the population either.

Another purpose of the four-day tour, whose route will also go through Alkeyevskiy, Oktyabrskiy, Cheremshanskiy, and Zainskiy Rayons, is to find out how the situation is developing with respect to the reform of the republic's agrarian sector. F. Mukhametshin intends to visit farms with different forms of ownership and to observe the shoots of the new that have appeared over the past few years. Conversations with managers, specialists, and peasants will also help to forecast more precisely the consequences of the land reform currently under way in the republic.

Tatarstan Government Officials Appointed

954F2649A Kazan RESPUBLIKA TATARSTAN
in Russian 24 Jun 95 p 3

[Release of the press center of the Republic of Tatarstan State Council under the "Chronicles" rubric: "Plenary Session of the Republic of Tatarstan State Council"]

[FBIS Translated Text] The 22 June morning session continued discussion of the draft rules for the State Council. The session decided to send the draft law to the Commission on Questions of Legislation, Legality, Law and Order, and Deputy Ethics for verification of its conformance to the RT [Republic of Tatarstan]

Constitution and absence of internal contradictions, and submit it for the consideration of the next plenary session of the State Council.

The session made a decision to increase the number of deputies working in the State Council full time. Deputies A. Kamalov and R. Minnullin were elected members of the standing parliament.

The session considered the draft laws "On the Status of People's Deputies of the Republic of Tatarstan" and "On the Status of People's Deputies of Local Councils of People's Deputies of the Republic of Tatarstan." Both draft laws were rejected. Further work on them will proceed in the direction of amendments to existing laws.

The draft law "On Changes and Additions to the Republic of Tatarstan Law 'On Permanent Commissions of the State Council of the Republic of Tatarstan'" was accepted as the basis for preparation of the second draft.

The session approved the tentative plan of lawmaking work for 1995-1996.

On the item "On the Structure of the Cabinet of Ministers of the Republic of Tatarstan-Government of the Republic of Tatarstan," the key speaker was Prime Minister F. Mukhametshin. The session adopted a decree "On Changes in the Structure of the Cabinet of Ministers," which supported most of the government's proposals.

The session approved the report on execution of the republic budget of the Republic of Tatarstan for 1994. The report was presented by Minister of Finance D. Nagumanov, the co-report—by permanent commission chairman G. Kobelev.

The session considered a number of items involving organizational and personnel matters. At the proposal of President M. Shaymiyev, F. Gazizullin was appointed RT first deputy minister and chairman of the RT State Committee for Industrial Policy and Management of State Property; V. Shvetsov was appointed deputy prime minister; D. Bikbov—chairman of the RT State Committee on Privatization of State Property; and V. Mikhaylov—chairman of the RT State Committee for Protection of Consumer Rights.

The session adopted laws on property tax rates for light and defense industry enterprises and decrees on putting them into effect.

On the item "On the Nonparticipation of the Republic of Tatarstan in Armed Conflicts on the Territory of Russia and the CIS," put on the session agenda at the proposal of Deputy F. Safiullin, the decision was made to create a task force to bring the draft document to the requisite state and submit it to a later session of the State Council.

Chairman of the Supreme Court of Tatarstan G. Baranov addressed the session to inform deputies on the course of the trial on the criminal case against RT State Council Deputy S. Shashurin. The information was taken under advisement. Two deputy commissions were instructed to analyze the situation and bring the question to the State Council session.

The session's meetings were chaired by State Council Chairman V. Likhachev and Deputy Chairman R. Kharisov.

With this, the third plenary session wrapped up its proceedings.

RT President M. Shaymiyev took part in the session's work.

Unemployment Increases in Tatarstan

954F2649C Kazan RESPUBLIKA TATARSTAN
in Russian 27 Jun 95 p 1

[Report by the employment administration of the Republic of Tatarstan State Labor Committee: "The Situation in the Labor Market: Results of Five Months"]

[FBIS Translated Text] As of 1 June 1995 the level of unemployment (the ratio between the number of registered unemployed and the number of people employed in the economy) measured 1.2 percent in the republic as a whole. In some regions this indicator is higher than the average for the republic level: in the cities of Naberezhnyye Chelny—2.64 percent, Yelabuga—2.58 percent, and Zelenodolsk—2.43 percent; in Mendeleyevskiy Rayon—2.14 percent, Mamadyshskiy—1.63 percent, and Agryzskiy—1.31 percent.

Overall, as of the beginning of June 24,263 persons looking for work were registered with organs of labor and employment. Of them, 21,152 (88.7 percent) were officially unemployed. Unemployment benefits were granted to 19,863 persons.

There are three unemployed people for every vacancy. At the beginning of June enterprises and organizations registered with the employment service 6,617 vacancies, which is twice as much as in the preceding month.

Over five months of 1995 the number of unengaged citizens who have found jobs increased 1.4-fold as compared to the analogous period of last year and amounted to 6,857 persons.

Labor and employment organs referred to professional training 2,027 persons. Of them, 1,025 completed their training, and 901 persons continuing their studies.

Over five months, 1,282 persons took part in public works.

Protection of Novosibirsk's Environment Urged

95WNO206A Novosibirsk VECHERNIY
NOVOSIBIRSK in Russian 27 Jun 95 p 2

[Article by Yelena Sablina: "Chromosomes Are Breaking Down—Look Out for Trouble: Draft Concept for the Radiation, Medical, and Social Protection of People from Natural Sources of Irradiation and the Aftereffects of the Semipalatinsk Tests and the Chernobyl Tragedy Has Been Developed"]

[FBIS Translated Text] This is what we have come to: It is necessary immediately to protect the population of Novosibirsk Oblast. Not from terrorists, not from earthquakes, not from flooding, but from an enemy that is far more insidious because it is invisible—from radiation.

Without waiting for favors from our own government, specialists of the Novosibirsk Oblast center of the Russian Federation State Committee for Sanitary-Epidemiological Oversight have developed a draft concept for the radiation, medical, and social protection of people from natural sources of irradiation and from the aftereffects of the Semipalatinsk tests and the Chernobyl tragedy. In the opinion of Valeriy Suslin, one of the authors of the concept and supervisor of the department of radiation hygiene of the oblast SEN (sanitary-epidemiological oversight), implementation of the measures envisioned by the program would make it possible to prevent increased irradiation of the population and, as a consequence, lower the number of cases of cancer and leukemia and reduce possible genetic disorders to a minimum.

We have lived without this concept up until now, so why then has the need for it suddenly arisen today? First, because so much data has been accumulated on the unfavorable radiation situation in the oblast that it is impossible to remain silent about it any longer. VECHERNIY NOVOSIBIRSK has already reported the high level of radon content found in underground water sources of some rayons of the oblast. How is the population living on these territories to be protected from irradiation? Second, it is now that the so-called small dose effect has begun to appear—the aftereffects of the nuclear tests on the Semipalatinsk test range. From 1965 to 1990 the death rate in the USSR from malignant new growths increased by 29.3 percent, in Novosibirsk Oblast—by 42 percent. But in the period from 1965 to 1994 in Novosibirsk Oblast—64 percent! These data suggested to radiologists the idea of comparing the dynamics of the mortality of

the oblast population with the model of the American scientist Sinclair, who studied the effect of small doses in the example of the Japanese cities that were subjected to atomic bombing in 1945. Sinclair discovered that cancer sickness among the Japanese who received an irradiation dose of one REM emerged only after 10-12 years (leukosis—after two years). That is, 10 years is the closed period of the sickness, and the maximum number of those becoming sick is reached after 30-35 years. Thus, the hypothesis also appeared that the initial dose of irradiation for cancer patients in our oblast were the Semipalatinsk REM's; moreover, not one REM, but, as it now has become clear, the dose was five to nine REM's. Is it necessary after this to cite yet another argument in favor of the work accomplished by specialists of the oblast SEN?

The concept itself, the draft of which will be sent to the head of administration of the oblast for approval, consists of three sections. The first—"Radiation Protection of the Population." Here radiologists offer their "services" in predicting potential irradiation, insist on the need to limit irradiation of people younger than 40 years of age during X-ray diagnostics, and recommend a revision of permissible doses of irradiation for people who are professionally associated with radiation (doctors, X-ray technicians, radiologists, scientists).

The specialists are sounding the alarm: Natural sources of radiation in our oblast are very, very dangerous to a human being. In addition to the already known radon, we have deposits of radioactive granite nearby, and radioactive slag and ash mixtures are frequently used in building construction. (Incidentally, the Siberian Ecological Fund is proposing ecologically safe housing projects.) This same section of the concept establishes decisionmaking levels; that is, what measures is it necessary for both radiologists and the authorities to undertake at what dosage of irradiation of a locality and the population in order to prevent what happened at Chernobyl.

One hundred congenital deformities per million population—here is your destruction of the country's gene pool. This can also occur from radiation irradiation. Residents of a village in Maslyaninskiy Rayon (which suffered most from the Semipalatinsk overindulgence) were selectively examined and a chromosome aberration—a chromosome breakdown—was discovered among some of them; that is, a direct threat to normal heredity. All told among the population of our oblast there are several groups at increased risk: the liquidators of the Chernobyl accident (more than 6,000 persons), participants in the nuclear tests at Semipalatinsk (approximately the same number), people associated with radiation "on the job," and

residents of radon-dangerous localities. All of them need "medical protection and rehabilitation," to which one of the sections of the concept is devoted. But it is first of all necessary to examine each of the victims in order to establish clinically the dose of received irradiation. Such methods as examining tooth enamel, finding alterations in the albumin in red blood corpuscle tests, and cytogenetics research exist in world practice. They are expensive methods; however, this is precisely the time when it should not be necessary to economize. The average life span of those Japanese who survived the atomic bombing is 70 years. Because they are being examined and treated in a timely way.

The contents of the section "Psychological Protection of the Population" may seem paradoxical to many: Can reliably and urgently informing the population about changes in the radiation situation in the oblast, especially in the direction of its worsening, really be called protection? Will such information really protect anyone from worrying? However, the authors of the draft concept are convinced that a person who knows the real state of affairs will never develop radiophobia. In the meantime we experience only blind fear of radiation by picking up only fragmentary bits of information. Reliable information, albeit negative, will make it possible for people to reorient themselves in this life. Incidentally, a law on state secrets exists that forbids data on the ecology and medicine to be concealed from the people.

It has to be assumed that the head of the administration of the oblast will read the draft concept with interest....right up to the place where he gets to the section on social-economic protection of the population. Our radiologists are proposing to establish a scale of monetary compensation for people who suffered from radiation, depending on the dosage received, and a concept of "the price of one person-REM" even exists in the United States. It is equal to \$20 in the United States. This figure is multiplied exactly by how much a person was exposed.

In the event the leadership of the oblast treats the proposed concept with understanding, how long will it take to implement? Will people who have a radiation pathology live until that bright day when they finally begin to be treated in earnest?

There are many questions, but there is no time for hesitation: It is necessary to start today, now, immediately, to fight against the invisible enemy for the life of the people.

Economic Issues

Chernomyrdin: 1996 Deficit To Be 4 Percent of GDP

LD0207131995 Moscow ITAR-TASS in English
1302 GMT 2 Jul 95

[By Oleg Velichko]

[FBIS Transcribed Text] MOSCOW, July 2 (ITAR-TASS) — Russian Prime Minister Viktor Chernomyrdin said in a speech at the fourth session of the Consultative Foreign Investment Council that the federal budget deficit projected for 1996 is four percent of gross domestic product.

Russia's predicted inflation rate is a monthly two percent, he said.

Chernomyrdin said financial stabilisation would be finished and production growth would start in 1996.

Projected gross domestic product is 1,900-2,000 trillion roubles, with a deflator index of 123-127 percent.

Russia's export in 1996 will be worth 56-58 billion dollars, or four to seven percent above projections. Imports will grow 11-13 percent, Chernomyrdin said.

Chernomyrdin Blames Instability for Inflation

LD0207144695 Moscow ITAR-TASS in English
1426 GMT 2 Jul 95

[By Aleksandr Nechayev]

[FBIS Transcribed Text] MOSCOW July 2 (ITAR-TASS) — Russian Prime minister Viktor Chernomyrdin believes that political instability in the country, and the latest no-confidence vote in his government by the State Duma in particular, is one of the main reasons for high inflation and little foreign investments.

"There are certain people who like to agitate the country", he said referring to the no-confidence vote.

"We only lose by that. We need stability. The political situation in Russia will always influence the level of investments", the premier told a press conference Sunday devoted to the fourth session of the foreign investment advisory council.

He described the Saturday compromise between the State Duma and the government as the triumph of reason. "Reason has dominated. As a result the country and the people won", Chernomyrdin said.

He also said that political instability does not allow his government to keep inflation down to envisaged figures.

"We fully observe the parameters of the 1995 budget, except for inflation", which reached 6.7 per cent in June, according to the head of government.

"The reason is mostly the political events" and the accompanying inflation fears, he said.

"Inflation is being decreased not at the required pace. But I hope that in the final end we shall reach the parameters fixed in the budget for the whole year", Chernomyrdin said. The budget envisages a monthly average inflation of two per cent.

The Prime minister admitted that the lack of the necessary economic legislation also curtails direct foreign investments which dropped 20 per cent of late.

The government has already submitted to parliament a series of lawbills aimed to improve the investment climate. But some problems will take time to be solved.

"Surely, there are unresolved issues, difficult problems which cannot be solved immediately", Chernomyrdin admitted.

According to Persy Barnevik from the ABB company, Russia at present receives less than one per cent of direct global foreign investments, but the figure can grow at least ten times if the necessary investment climate is created in the country.

Chernomyrdin: Foreigners 'Reluctant' To Invest in Russia

LD0207143395 Moscow ITAR-TASS in English
1304 GMT 2 Jul 95

[Oleg Velichko]

[FBIS Transcribed Text] OSCOW, July 2 (ITAR-TASS) — Russian Prime Minister Viktor Chernomyrdin admitted on Sunday [2 July] that despite an overall improvement of the economic situation in the country, foreign investors are still reluctant to invest in Russia.

Speaking at the fourth session of the Consultative Committee for Foreign Investments, Chernomyrdin pointed out that Western investments in Russia have reached 500 million U.S. dollars.

The premier said the government is working out a new investment strategy and plans to begin to insure foreign investors in Russia.

He noted that commercial banks have increased their investments in major industrial projects, including in the energy sector, machine-building, metallurgy and agro-industrial complex.

Premier Stresses 'Investment Activity'

LD0207145595 Moscow INTERFAX in English
1313 GMT 2 Jul 95

[FBIS Transcribed Text] MOSCOW, July 2 (INTERFAX) — Russian Prime Minister Viktor Chernomyrdin

said that the Russian government's main problem was to raise the investment activity.

He said when opening the fourth meeting of the Foreign Investment Advisory Council under the Russian government in Moscow today that he regretted the continuing decrease in capital investments. The capital investments went down by 20 percent in the first half of 1995. Chernomyrdin said he believed it an urgent task to transform savings into investments and to create a favorable investment climate.

Chernomyrdin said the government expected that in 1996 the main sources of investments of enterprises would be amortization (over 250 trillion rubles) and enterprises' own money after payment of taxes (over 400 trillion rubles). State investments into the Russian economy in 1996 will be 46 trillion rubles or 2.4 percent of the GDP, including 28.5 trillion rubles from the federal budget.

Chernomyrdin said he was glad that Russian banks had recently begun investing into the most promising Russian industries, mainly into the energy industry, the micro electronics industry and the agricultural-industrial complex.

Chernomyrdin said that Russia might let foreign partners enjoy the national regime for participation in privatization of state-run and municipal enterprises. The government will in the near future discuss proposals on transforming the Russian state debt to foreign countries into shares of privatized enterprises, he added. He said he believed that purchase of the control blocks of shares by strategic investors during the period of initial sales was likely to be permitted.

Chernomyrdin said the government had worked out a comprehensive program for stimulating national and foreign investments into the Russian economy. Furthermore, federal laws on regulating foreign investments, the status of free economic zones and on concession agreements concluded with Russian and foreign investors have already been drafted and submitted to the State Duma for consideration.

However, Chernomyrdin said that despite the relative recovery of the Russian economy and the improvement of the investment climate, foreign capital investments into Russia had not yet considerably increased. Direct foreign investments into Russia totalled only \$500 million during the first six months of 1995.

Commission Debates Banks' Viability, Far North Supply Problems

MM0307134295 Moscow IZVESTIYA in Russian
1 Jul 95 p 2

[Article by Igor Karpenko: "Bank Failures Assuming Ominous Proportions"]

[FBIS Translated Text] Since the reforms began in Russia 159 commercial banks have been declared bankrupt. The situation has now become especially acute: Some 71 bank licenses have already been revoked this year, and the activities of another 10 banks which are in a critical state are also being examined.

These alarming figures were cited at a routine session of the government's operational commission for improving the transactions and settlements system. Anatoliy Chubays, who chaired the session, said that the main reason for the new wave of bankruptcies was the inability of many banks to operate in conditions when the inflation rate is falling sharply.

Even for a country the size of Russia 2,500 commercial banks are probably quite a lot. But if almost 10 percent of them are bankrupt or on the verge of failure, this is a grave threat to the stability of the country's entire banking system. Tatyana Paramonova [acting chairman of the Central Bank of Russia] has announced a series of measures already adopted or being planned by the Central Bank in the near future to strengthen the stability of the banking system.

It has been decided (retroactively to the start of the year) that commercial banks' incorporation capital is to be increased and must be backed by real assets, 20 percent of reserves must be compulsorily set aside as potential compensation for losses from high-risk deals, the majority of normatives governing banking activity have been reinforced and brought closer to international standards, the supervision of this activity by the Central Bank has been toughened, a "rapid reaction" service is even being organized to support that supervisory activity, there is a plan to set up a Federal Banking Insurance Fund, and so forth.

Some measures, above all the removal of substantial "reserves," are now arousing a vigorous protest among bank leaders, especially the fact that these decisions, which were adopted in June, change retroactively the ground rules that have operated since the start of the year. The law, as is well known, is not retroactive, but unfortunately this wise rule does not apply to Central Bank instructions.

So far it is the small banks which have gone bankrupt, although more substantial banks which deal in trillions

of rubles have been drawn into this orbit — Moscow's Interregional Bank, the "Chara" Bank, the "Favorit" Bank, the "Lada" Bank, and so forth. Measures are now being taken to safeguard their assets and protect depositors' interests.

The protection of depositors' interests, especially individuals and the population, is a particularly acute problem. When a bank collapses people lose all their savings, and this has already led to serious social conflicts. In the near future the government is to examine the question of a state insurance fund for small deposits held by the population and the creation of a special fund for those needs. The draft law "On Banks and Banking" envisages that only commercial banks with at least two years' "experience" will be able to accept deposits from the population. To enable investors to "protect themselves," the requirements on the "transparency" of banks have been stepped up — they will have to publish information on their activity quarterly in the Central Bank's special book.

The second item on the commission's agenda was the seemingly eternal question of the shipment of produce to the Far North. The situation during the current shipping season is also critical and even worse than last year. The decision that the budget should directly fund only the shipment of fuel and that the rest would be funded by the repayment of last year's credits by the regions proved spectacularly unsuccessful. The credits (amounting to almost 3.5 trillion rubles) have not been repaid and the moorings now stand idle. Even state financial resources are being used to pay the debts for 1993 and 1994. Urgent decisions have been made on the complete clearance of state debts and the provision of credit to cover the "cash shortfall." It has been decided to ask the government to review the whole concept of the supply of goods, produce, and materials to the Far North. The current shipping season must be rescued immediately — otherwise in two to three months' time this work will cost the country a lot more.

Law on Increasing Pensions as of 1 Jun

*MM0307132795 Moscow ROSSIYSKAYA GAZETA
First Edition in Russian 30 Jun 95 p 1*

[Federal Law No. 99-FZ "On Raising the Minimum Pension and the Procedure for the Indexation and Recalculation of State Pensions in the Russian Federation" signed by President Yeltsin, dated the Kremlin, Moscow, 28 June 1995 and carried under the "Protocol"

rubric and the heading "Pensions Raised. The Federal Law 'On Raising the Minimum Pension and the Procedure for the Indexation and Recalculation of State Pensions in the Russian Federation' Goes Into Force Today After Publication in ROSSIYSKAYA GAZETA"]

[FBIS Translated Text] Article 1. As of 1 June 1995, a minimum old-age pension of 52,486 rubles [R] a month is laid down for people who have worked in total the amount required to qualify for the full pension. All pensions calculated in accordance with the RSFSR Law "On State Pensions in the RSFSR" are increased by a factor of 1.2 based on the pension rates paid in May 1995.

The compensation payment prescribed in accordance with Russian Federation legislation is retained when the pension is increased according to the first part of this article.

Article 2. When determining or recalculating pensions after 1 June 1995 the total earnings received before 1 June 1995 are to be indexed using rates established for the corresponding periods, including the index envisaged by Article 1 of this federal law: Total earnings received after 1 June 1995 are to be taken into account without applying those rates. The pension rate is not to be increased by a factor of 1.2 in that case, but the compensation payments prescribed by Russian Federation legislation are to be applied instead.

Article 3. The expenditure connected with the increase in the minimum pension and indexation of pensions is to be financed by resources from the Russian Federation Pensions Fund, the contractual obligations of the Russian Federation Government in compensation for the debt envisaged by Article 46 of the Federal Law "On the Federal Budget for 1995" in the form of cash loans, as well as by the emission of money based on the actual implementation of the Russian Federation Pensions Fund budget and the federal budget for 1995.

Article 4. This Federal Law goes into force from the day of its official publication.

[Signed] B.N. Yeltsin, president of the Russian Federation.

[Dated] The Kremlin, Moscow.

28 June 1995.

Federal Law No. 99-FZ.

International Affairs

West Urged To 'Leave Position of Detached Observer'

AU0407132095 Berlin DIE WELT in German
3 Jul 95 p 3

[Interview with President Leonid Kuchma by Carl Gustaf Stroehm; place and date not given: "'Ukraine Wants To Be Part of Civilized Europe'"]

[FBIS Translated Text] [Stroehm] Mr. President, a couple of days ago, a deputy in your parliament demanded a Russian-Ukrainian state. What is your view on that?

[Kuchma] My opinion is that there is Ukraine, and there is Russia. Both are independent states — and that is what they must continue to be. But neighbors must live together in peace and friendship. There is no other possibility. It is true, Russia is a strategic partner, who has priority for us.

[Stroehm] Do you consider the problem of the Black Sea Fleet solved?

[Kuchma] No, of course not. Together with the Russian president, we have made a big step toward solving the problem. What is important is that we have signed a document saying that the Crimea is an integrating part of Ukraine. That has knocked the bottom out of all separatist movements that existed in the Crimea. The so-called separatist card that was to be played here has been dismissed. Yet, I do not rule out that such tendencies will return.

On the other hand, we have clearly agreed with Russia that the Russian Black Sea Fleet and its headquarters will be at Sevastopol, but that Sevastopol as such will not turn into the headquarters of the Russian Black Sea Fleet. That is also a very important political solution following years of negotiations.

The exact location of the Russian headquarters still has to be determined, so have the conditions on which this base shall exist, as well as the duration of its existence there. That leaves a number of open questions.

[Stroehm] What is Ukraine's position on the war in Chechnya?

[Kuchma] Ukraine said right from the beginning that this is an internal Russian affair. Ukraine is interested in Russia's territorial integrity, because bad examples are infectious. The collapse of Russia would not be good for Russia itself, nor for Ukraine, nor for Europe. But saying that the problems that occurred in Chechnya cannot be solved by any other means than the ones used by the Russians is a different story. We are against such

methods. One has to find a way of achieving results at the negotiating table.

[Stroehm] What is Ukraine's place in Europe today? You want to move closer to NATO...

[Kuchma] In our opinion Ukraine is a European country. Europe's geographical center is in Ukraine. We are aiming at integrating ourselves into Europe. We know that our possibilities are limited and that Europe is not waiting for us. But our wish must be acknowledged: We want to be part of civilized Europe, we do not want to be the Balkans. As far as NATO is concerned I think that if we know more of one another, if we cooperate in the Partnership for Peace and many other structures, this would contribute to international stabilization. That is why we are taking an active part in this process.

[Stroehm] Are you aiming at full NATO membership?

[Kuchma] According to our constitution, Ukraine is a state outside the blocs. As president, I have to adhere to that. We also understand that we still have a long way to go to NATO membership. The desire to join is one thing, the chance of putting this desire into effect is another. But we will cooperate with NATO to ensure that we are understood there.

[Stroehm] Some post-Communist countries fear that they might fall into a "gray zone" of undefined security.

[Kuchma] That also worries us to a certain extent, all the more so since Russian Foreign Minister Kozyrev has made several statements that were not exactly helpful. But we still think that Russia should be moved closer to cooperation with Europe. Russia should take part in the Partnership for Peace program; that is a positive process. We cannot escape anywhere: This Russia exists — and it is a big country. Everything must be done to help Russia's democratic development. This is also the way to avoid the problem of the gray zones. We must not let Europe be divided into two camps again.

[Stroehm] How can your country's economic problems be solved?

[Kuchma] Ukraine cannot find a way out of its problems by itself. The West must understand that. There is also a danger of our state disintegrating. The West finally has to realize that if it wants a unified, economically strong Ukraine, it must provide help.

[Stroehm] What is the West to do? What can Germany do?

[Kuchma] You should leave the position of detached observer. You should get more active and start a political dialogue with Ukraine. In principle, I am grateful to Germany for its role; but where Europe is

concerned, it is only looking on. So far, everyone has just been stating their terms. They tell us: First you have to do that, then that, then something else. One time it is tactics that is important, then it is strategy, then Chernobyl. But you have to understand that the difficult economic situation can really result in the collapse of Ukraine... industry feels the loss of the eastern markets — but the markets in the West are also closed to us.

Russian Official: U.S. Encouraging Crimea Tragedy

LD3006191795 Kiev UNIAN in Ukrainian
1710 GMT 30 Jun 95

[FBIS Translated Text] Moscow, 30 Jun (UNIAN) — In an interview with UNIAN today, Konstantin Zatulin, chairman of the Russian State Duma Committee for CIS Affairs and Ties with Compatriots, laid the responsibility for the events in Crimea at the door of the Ukrainian leadership which, according to him, "overstepped the bounds of decency by showing a cynical attitude toward everything that is happening in Crimea."

In the light of recent events, Konstantin Zatulin said, the Ukrainian leadership should ponder over the possible consequences of a policy of raising a "fifth column" in Crimea from persons of Crimean Tatar nationality.

Zatulin believes that foreign secret services are really involved in the Crimean events. According to information provided by Zatulin, last week "42 so-called archaeologists from the United States began excavations in Khersones. In Sevastopol they met U.S. Ambassador to Ukraine William Miller, who for some reason was vacationing in Crimea at that very moment. The United States is intentionally stimulating the tragedy in Crimea in order to finally set Ukraine and Russia at loggerheads."

Envoy to U.S. Says Ties 'Considerably Improved'

WS0507102195 Kiev INTELNEWS in English
1638 GMT 4 Jul 95

[Unattributed report]

[FBIS Transcribed Text] Ukraine's Ambassador to the United States Yuriy Shcherbak said this week at the second conference of Ukrainian diplomatic representations and consular institutions abroad that he was very optimistic about the development of U.S.-Ukrainian relations.

"Since President Kuchma's visit to the United States last November, the atmosphere itself of Ukrainian-American relations has considerably improved, reaching the level of partnership and friendly relations," Shcherbak said.

"In a very short period, as little as half a year, we managed, with the great help of the United States, which is difficult even to be overestimated, to get from international organizations a credit of about \$2 billion. Actually, the United States influenced the G-7 countries to give this credit.

"Since about \$3 billion more came as a credit to Russia to pay for fuel debts, the amount of aid totaled about \$5 billion, Shcherbak said. "I cannot help stressing also that, some time ago, the United States blocked credit lines for us. And now, with the great efforts, they have been reopened. This gives us a right to say that our economic and financial relations with the United States are developing quite successfully."

In the first half of this year, Ukrainian exports to the United States almost doubled, Shcherbak said. The trade turnover increased by 40 percent.

Kuchma Talks With German Leaders Kohl, Kinkel

Kuchma: Relations With Germany 'Priority'

LD0307222295 Kiev UT-1 Television Network
in Ukrainian 1800 GMT 3 Jul 95

[FBIS Translated Excerpt] Germany is already the fifth G-7 country to be visited by President Leonid Kuchma at the highest level and this confirms Ukraine's consistency in implementing its chosen policy to expand and deepen mutual relations with the world's leading states. [passage omitted]

Today, which is Kuchma's first day of his German visit, is especially saturated with official meetings. At the moment, the Ukrainian president and the German Chancellor Helmut Kohl are having a private conversation at Kohl's residence. Correspondents learned more about the details of this discussion during a meeting with the Kuchma and Kohl. In particular, Kohl noted that Germany was observing events in Ukraine with great interest and was happy with the positive changes that were taking place in Ukraine. We encountered numerous problems ourselves after the reunification of Germany, Helmut Kohl said, and for that reason I can only imagine the tasks you need to resolve in order to become stronger and turn into a state with its honorable place in the European community. The chancellor also said that Germany in every way supports Ukraine's earliest entry into the Council of Europe and will continue to support our state in other influential international organizations. Germany is currently one of the biggest investors in the Ukrainian economy. The process of accumulating capital will continue and the development of the treaty base will speed it up. It will be implemented in order to set joint enterprises, introduce new progressive

technologies at Ukrainian enterprises and also to overcome serious problems connected with the closure of the Chernobyl nuclear power station. Ukrainian President Leonid Kuchma said the following:

[Begin Kuchma recording] Our relations with Germany are a priority. We understand Germany's place and role in the world. During the today's talks, I expressed my gratitude for the frankness and the understanding of the problems that exist in Ukraine today; for the willingness and the political, moral, and economic support of the policies that Ukraine is now pursuing. I would like to stress again that this policy is irreversible. We discussed many international problems and Ukraine's more active participation in international organizations. Again I would like to thank the German Government, especially the esteemed chancellor, for its continuous and consistent policies in supporting Ukraine in these organizations. I am now convinced that because of this support Ukraine is sure to join the Council of Europe this year.

I would to express my gratitude once again for the hospitality and the warm welcome [word indistinct] for the possibility of further work which we discussed today. [end recording]

Today, President Kuchma held more meetings in Bonn with senior German officials. It is expected that a number of Ukrainian-German agreements will be signed on 4 July.

Failure To Agree on Further Aid

LD0307201595 Moscow ITAR-TASS in English
1950 GMT 3 Jul 95

[By Gennadiy Temnenkov]

[FBIS Transcribed Text] BONN, July 3 (ITAR-TASS) — Ukrainian President Leonid Kuchma and German Chancellor Helmut Kohl failed to reach an agreement on further financial aid to Ukraine.

"However, we discussed how we could expand our economic ties. We agreed that we should give relations between Germany and Ukraine a new quality. This new quality means to me close cooperation in the economic and social spheres and other areas where we could provide consulting services," Kohl told journalists after his talks with Kuchma on Monday [3 July].

Kohl said he and Kuchma also agreed that a high-level delegation of German experts will go to Kiev this autumn to discuss with the Ukrainian authorities ways to boost bilateral economic cooperation and support German investments in Ukraine. This topic will also be discussed during Kohl's visit to Ukraine scheduled for the spring of 1996.

At the same time, the Chancellor stressed that Germany is interested in the success of economic reform in Ukraine and pledged support.

Speaking about the Chernobyl nuclear power plant, Kohl pointed out that the German side wants the station to be closed down as soon as possible. He welcomed the Ukrainian government's decision to shut down the plant by the year 2000 and said Germany understands that Ukraine cannot cope with this problem alone and, therefore, will try to persuade its European allies to help Kiev.

Kuchma thanked the German government for its assistance in promoting Ukraine's integration into European structures, adding that owing to this support Ukraine may join the Council of Europe by the end of the year.

The president also confirmed Ukraine's commitment to economic reform, saying that the transformations in the country have become irreversible.

The Ukrainian and German delegations also signed an agreement to avoid double taxation and create a favourable climate for German investments in the Ukrainian economy.

This is the first such agreement signed by Germany with a republic of the former Soviet Union and will serve as a model for similar agreements with other CIS states.

The German Finance Ministry said the agreement will come into effect within a month of the exchange of the instruments of ratification.

Kuchma, Kinkel Discuss Current Issues

LD0407163295 Moscow ITAR-TASS in English
1251 GMT 4 Jul 95

[By Gennadiy Temnenkov]

[FBIS Transcribed Text] BONN July 4 (ITAR-TASS) - Ukraine's involvement in the creation of European structure of security, its rapprochement with Euroatlantic structures were the main topics during the negotiations of German Foreign Minister Klaus Kinkel with Ukrainian President Leonid Kuchma and Ukrainian Foreign Minister Hennadiy Udoenko in Bonn on Tuesday [4 July].

During the conversation that lasted about two hours, the German Foreign Minister emphasised the intention of the FRG to continue supporting reform in Ukraine and Ukraine's striving to establish partnership with the European Union.

Kinkel said that Ukraine which is "independent, stable and ready for cooperation" is a very important partner for Germany and said that Bonn will support Ukraine's

wish to become member of the Council of Europe and of the World Trade Organisation.

The German Minister urged the Ukrainian leadership to continue the course at reform and privatisation in the economy. He noted that Germany has already granted to Kiev aid valued at almost three billion marks.

Kuchma Speaks Highly of German Talks

LD0407170095 Moscow INTERFAX in English
1227 GMT 4 Jul 95

[FBIS Transcribed Text] BONN, July 4 (INTERFAX-UKRAINE) — Ukrainian President Kuchma has spoken highly of his talks with German leaders.

Interviewed in Bonn, President Kuchma said that "after these talks Ukraine can count on considerable assistance from Germany in effecting economic reforms".

He said that Germany welcomed the results of the latest Ukrainian-Russian talks. Concerning likely contacts with Russian leaders in the near future, Kuchma said he would not like to put any pressure on the Russian side to achieve an early visit by the Russian president. He said that the Russian leadership had been busy lately with too many domestic problems for focusing on relations with Ukraine.

At the same time, President Kuchma said that the Ukrainian-Russian dialogue continued. President Kuchma also said that the successful development of that dialogue would have a favorable effect on in the situation in Europe.

Military Intelligence Chief Interviewed

WS3006132695 Kiev VSEUKRAINSKIYE
VEDOMOSTI in Russian 27 Jun 95 p 3

[Interview with Lieutenant General Oleksandr Skipalskyy, chief of the Defense Ministry Main Intelligence Directorate, by Svitlana Bulanenko; place and date not given: "Lt. Gen. Skipalskyy, Military Intelligence Head: 'I Feel Sorry for Oleksandr Moroz....'" — first paragraph is VSEUKRAINSKIYE VEDOMOSTI introduction]

[FBIS Translated Text] *Military intelligence has always been shrouded with the aura of secrecy. This is understandable. But as every forbidden fruit, it has been drawing increased attention, or more precisely, interest of common mortals. You must agree that you would like to look, at least through one eye, at what is going on behind the curtain of secrecy separating special services from the rest of the world. It would thus be a sin to miss an opportunity to talk with People's Deputy Oleksandr Skipalsky, chief of the Ukrainian Defense Ministry Main Intelligence Directorate.*

Small Army Needs Powerful Intelligence

[Bulanenko] Oleksandr Oleksandrovych, the notion "intelligence" implies certain activities against somebody. Ukraine, however, is a neutral state, and logically, we do not have enemies. Then against whom do you work? What tasks is military intelligence currently performing?

[Skipalskyy] First and foremost, we are obliged to inform the president, as the supreme commander in chief, the defense minister, and the Supreme Council about factors threatening our national security. As you know, the Ukrainian Armed Forces are being reduced, and our role is thus increasing, because the smaller the Army, the more efficiently intelligence should work. Ukraine is neutral, even though it is surrounded by countries which may lay territorial claims against it. Romania's claims are currently representing the greatest threat. Despite the fact that the official foreign policy conducted by the Romanian leadership is quite cautious with regard to disputed territories, certain political forces, including parties represented in parliament, are advocating unification not only with Moldova, but also with North Bukovina and the western part of Odessa Oblast. This is the main goal and a programmatic provision of the Party of National Unity and the Party of Great Romania. Other parties' programs also include promises to fulfill the dream of a greater Romania, which would include Moldova, North Bukovina, and Bessarabia. The Zmiynyy Island located on the Black Sea is also subject to territorial claims.

Poland, our western neighbor, cannot forget that Lvov and Volyn Oblasts belonged to it until 1939, and were "taken away" from it as a result of World War II. Certain political forces pin their hopes on returning these lands to ethnic Poles living in the Lvov and Volyn regions. By the way, over 200,000 Hungarians live in Transcarpathia, and this means that, under certain circumstances, conflicts may emerge there as well. Although the local conflicts in the Cisdnestr region and North Caucasus do not directly threaten Ukraine, they constantly affect our national security. Therefore, we should always be ready to defend our sovereignty and borders if needed. Naturally, what is needed is preemptive information about factors of a military threat.

Counterintelligence — Friend or Foe?

[Bulanenko] How is the teamwork between intelligence and counterintelligence proceeding? Does it not happen that they work against one another?

[Skipalskyy] Military intelligence collects information on possible foreign enemies, while counterintelligence

intercepts activities of foreign special services within the country. Is counterintelligence working against intelligence? These are, undoubtedly, sporadic cases. They are frequent only in countries which are far from being democratic. During the Stalin era, for example, the level of suspicion toward intelligence officers was extremely high, which brought about a colossal number of casualties. The fate of intelligence officer Richard Zorge was tragic.

And the fascist Germany's "sudden" attack in 1941? Many intelligence officers were openly warning about it, thus sacrificing themselves, but Stalin had more trust in Lavrentiy Beria, who called all of this a provocation. I could cite examples from later times, when mistrust in one's own people led to irreparable consequences, but... I will restrain myself from making any assessments. I will only say that, in general, the task of counterintelligence is to help and secure intelligence officers, and not to obstruct them.

[Bulanenko] What about your employees' wages? Are your people successful, in terms of material provisions? Is there a risk that, having quite valuable information, your intelligence officers will simultaneously work for other countries' special services?

[Skipskyy] As for the first part of your question, I will only say that all problems of the Armed Forces — and primarily this is a multitude of social problems — concern our department as well. And if somebody tells you about a special situation of intelligence officers — do not trust them. I could tell you about our professional problems. Or I could provide a figure to confirm how many of our staffers need housing. Yet, please understand me correctly, I cannot do that for security reasons.

The second part of your question is personally offensive to me. Accidental people do not end up in such a department as ours. And for our employees such notions as patriotism and love for one's own nation are not empty words. This is essential. I guarantee that there are no people who would work to the detriment of our state, which, unfortunately, cannot be said about our Supreme Council, in which I can name dozens of deputies, whose activities cannot be termed another other than sabotage.

Disappointed With Parliamentary Activities

[Bulanenko] Are you satisfied with your parliamentary activities? What problems of the Armed Forces do you help resolve as a deputy?

[Skipskyy] When I was observing the work of the former Supreme Council, I thought that if I had been in place of parliamentarians, I would have been able to fundamentally effect certain events, had I only become

entirely absorbed with these issues. However, I am currently disappointed. The parliament is busy playing political games and establishing factions or commissions. The selection to these bodies, however, is based not on professional qualities, but purely ideological considerations. As you see, the Supreme Council has not yet tackled any serious job. The laws which it has managed to pass are inefficient, because the authorities are not sufficiently informed. As a result, the people's living standards are declining. Not everything is correct within our Armed Forces either, as well as within the Ukrainian Security Service and the Interior Ministry. Many parliamentarians are sincerely worried about this, and want to improve the situation. How can one do that, however, if party meetings are held before commission sessions, at which deputies must follow stringent discipline? All this is no different than the approach we observed during the totalitarian regime. And it is determined by people who are commission and subcommission chairmen. I feel very sorry for Mr. Moroz [Supreme Council chairman], who, while establishing the Supreme Council structure, was guided primarily by socialist and communist corporative interests. I am convinced that if highly professional specialists were commission chairmen, everything would be different. We are currently in a standstill. I thus voted for the Law on Power. Perhaps we will finally tackle economic problems, and restore production, at least.

Lest We Lag Behind...

[Bulanenko] Does this also refer to the defense industry?

[Skipskyy] Although we have a significant number of defense industry companies, for well-known reasons, we do not have a closed cycle of production for most types of military equipment. Additionally, the economic crisis and corresponding reduced subsidies for military needs make it impossible to resolve this problem. We must set up new companies or reorganize those we currently have. Design work on new equipment has been virtually halted in certain areas. Meanwhile, leading world and European countries are constantly interested in issues concerning production of modern weapons and new types of armaments, as well as in trade in them.... Being aware of this, as well as realizing that the Ukrainian Army's weapons are morally and physically aging, one can predict that our Army's combat readiness will constantly decrease, compared with other armies. Moreover, we are losing a very profitable market, which is meanwhile being conquered by Russia. I have in mind arms trade.

[Bulanenko] How, in your opinion, will relations between Ukraine and Russia develop further?

[Skipalskyy] I am convinced that the wisdom of Ukrainian and Russian leaders will help them overcome emotions. After all, it is absolutely inconvenient for Ukraine and Russia to quarrel with one another, in terms of politics and economy. Certain circles within the Russian leadership, however, are trying to talk to us from a position of force, sometimes even resorting to provocations. There is a special institute in Moscow, for example, which deals with the Crimean problem. Its goal, however, is not to ease tensions, but to artificially fan passions on the peninsula. Even some of our colleagues have something to do with this. Would it not be wiser to remember that we are united by economic ties, and that our people need Ukrainian and Russian products? Or, finally, that both countries' citizens suffer from the shortsightedness of certain politicians?

Give Me Back My Wardrobe From Kuban

[Bulanenko] When I was in Sevastopol, one of the city's residents, while considering to whom Crimea should belong, presented the following argument: Imagine that we lived in a municipal apartment, and I kept my wardrobe in your room. When we were parting, you decided to keep this wardrobe. Is this fair?

[Skipalskyy] When we were "parting," we were guided by the Helsinki agreements. Both Russia and Ukraine once signed a clause on recognizing borders. Certainly, Russia was once a great empire, and Ukraine did not have its own state. But if we are to be guided by imperial ambitions or ancient memories, I also have the right to demand: Give me back my wardrobe, which is in Kuban, as well as the entire Kuban — the homeland of the Ukrainian Cossacks. Of course, people from Moscow would call me a weirdo, to put it politely, and they would tap their foreheads. Until recently, however, Black Sea Fleet generals were presenting similar demands, and won the fame of patriots....

[Bulanenko] How, in your opinion, will Russia and Ukraine "divide" Crimea?

[Skipalskyy] The point is that the Crimean problem, as a matter of fact, does not exist at all. It is artificially fanned and played in interests of all sides. For many people, this provides an opportunity to keep their yachts, dachas, offices.... According to my data, there are a great number of luxurious dachas belonging to high-ranking Moscow officials, who are "waging battles" with only one aim — to preserve the bastions of their dachas, erroneously assuming that Ukraine will seize them. All this is being done to deceive people with statements on repressions in Crimea.

Rich People Do Not Cry

[Bulanenko] What is your opinion on the division of the Black Sea Fleet?

[Skipalskyy] Not every country can currently afford to keep a navy. Ukraine does not need such a large navy to defend its borders and transportation routes. During the cold war, the USSR had to maintain a powerful navy to repulse a possible enemy's attack. I must note, however, that the Bosphorus and Dardanelles straits represent a gate, which can be "closed" at any time. There was even a special division in the former Soviet Union, the task of which was to defend these straits. Nevertheless, I think that this idea was utopian even at that time, since it was impossible to hold both straits with one division. And currently, against whom does Ukraine need a large navy? A huge amount of money is needed to reequip battle ships. I thus believe that one has to adhere to the principle of reasonable necessity with regard to this issue.

[Bulanenko] As the saying goes, a pessimist is a well-informed optimist. Nobody doubts that you are a well-informed man. So how do you look into the future? What, in your opinion, is Ukraine in for?

[Skipalskyy] There are two scenarios, known from worldwide experience. First, it is the introduction of a rigid totalitarian system based on a powerful army, security service, and police. This will make it possible to suppress the population's dissatisfaction with the difficult economic situation, and mobilize it to improve the economy. North Korea and certain other countries are currently proceeding along this path. As everybody knows, the Soviet Union and Hitler's Germany once embarked on this path too. Everybody knows what was the result of this. The second path is to try once again to find certain compromises by using political and economic means. Once economic problems are resolved, many other problems will also disappear, since while analyzing the current situation in Ukraine, one can conclude that the population's low living standards are the most dangerous factor. This usually provokes political and interethnic conflicts. The implementation of economic reforms, however, is impossible without establishing a clear administrative system, that is without faultless work of the vertical line of executive power. In this regard, I hope that the Law on Power will become the core of an entire system to ensure our state's national security.

National Affairs

Kuchma Appoints New Cabinet, State Committee Chairmen

LD0307212895 Kiev UT-1 Television Network
in Ukrainian 1800 GMT 3 Jul 95

[FBIS Translated Text] We have just received the Ukrainian presidential edicts on new appointments to the Cabinet of Ministers. Vasyl Durdynets has been appointed Ukraine's deputy prime minister for issues of state security and emergency situations and chairman of the Coordinating Committee for Combating Corruption and Organized Crime under the president of Ukraine; Anatoliy Kinakh has been appointed deputy prime minister for issues of industry; Ivan Kuras has been appointed deputy prime minister for issues of humanitarian policies; Petro Sabluk has been appointed deputy prime minister for the agro-industrial complex; Roman Shpek has been appointed deputy prime minister for the economy.

By an edict of the Ukrainian president, the following appointments have been made: Minister of Statistics — Mykola Borysenko; Minister of Finances — Petro Hermanchuk; Economy Minister — Vasyl Hureyev; Minister of Transport — Ivan Dankevych; Minister for the Social Protection of the Population — Arkadiy Vitaliyovych; Minister of Education — Mykhaylo Zhurovskyy; Minister of Health — (Yevhen Korolenko); Minister for the Environment and Nuclear Safety — Yuriy Kostenko; Minister of Internal Affairs — (Yuriy Kravchenko); Minister of Industry — Valeriy Mazur.

By an edict of the Ukrainian president, a ministry of foreign economic relations and trade of Ukraine has been set up in place of the ministry of foreign economic relations of Ukraine that is being abolished. Serhiy Osyka has been appointed minister of foreign economic relations and trade. Viktor Poltavets has been appointed minister for the coal industry; Valeriy Pustovoytenko has been appointed minister to the cabinet of ministers of Ukraine; Valeriy Samoplavskyy has been appointed forestry minister; Hennadiy Udovenko has been appointed minister of foreign affairs; Mykola Shvedenko has been appointed minister for fisheries; Oleksiy Sheberstov has been appointed minister of power and electrification; Valeriy Shmarov has been appointed minister of defence; Volodymyr Radchenko has been appointed chairman of the Security Service of Ukraine; Yuriy Yekhanurov has been appointed chairman of the State Property Fund; (Leonid Svatkov) has been appointed chairman of the State Committee for the Food Industry; and (Anatoliy Shostak) has been appointed chairman of the State Committee for Material Reserves.

By edict of the Ukrainian president, Anatoliy Holubchenko has been relieved from his post as minister of industry in connection with his becoming a people's deputy of Ukraine on a permanent basis; Volodymyr Radchenko has been relieved from his post of minister of internal affairs of Ukraine in connection with his transfer to another post; Vilen Semenyuk has been relieved from the post of minister of power and electrification in connection with his retirement; Roman Shpek has been relieved from the post of economy minister in connection with his transfer to other work; Valeriy Malikov has been relieved from the post of chairman of the Security Service of Ukraine in connection with his transfer to other work; Yuriy Kravchenko has been relieved from the post of chairman of the State Customs Committee in connection with his transfer to other work; Vasyl Hureyev has been relieved from the post of deputy minister of economy in connection with this transfer to other work; Ivan Dankevych has been relieved from the post of deputy minister to the Cabinet of Ministers of Ukraine in connection with his transfer to other work; Vasyl Durdynets has been relieved from the post of first deputy chairman of the Coordinating Committee for Combating Corruption and Organized Crime under the president of Ukraine in connection with his transfer to other work; Valeriy Mazur has been relieved from the post of deputy minister of industry of Ukraine in connection with his transfer to other work; Oleksiy Sheberstov has been relieved from the post of first deputy minister of power and electrification in connection with his transfer to other work; and Mykola Rahulin has been relieved from the post of chairman of the State Committee for Material Reserves in connection with his retirement.

As we have reported, in the next few days the government will make other appointments to the Cabinet of Ministers of Ukraine.

More Government Appointments by Kuchma

LD0407193895 Kiev UT-1 Television Network
in 1800 GMT 4 Jul 95

[FBIS Translated Text] Some more decrees by Ukrainian President Leonid Kuchma on personnel changes to the government came in today as follows:

- Viktor Zabara is to be appointed as first deputy minister for machine building, military industrial complex, and conversion of Ukraine;
- Valeriy Marynin as deputy economy minister of Ukraine;
- Valentyn Poshyvaylo as deputy economy minister of Ukraine;

- Oleksandr Yaremenko as deputy economy minister of Ukraine;
- Yevhen Hryhorenko as first deputy chairman of the State Property Fund of Ukraine;
- Valeriy Komarov as first deputy director general of the National Space Agency of Ukraine;
- Eduard Kuznetsov as deputy director general of the National Space Agency of Ukraine;
- Hennadiy Lelikov as head of the Civil Service Main Directorate under the Cabinet of Ministers of Ukraine.

Valeriy Komarov is to be relieved from his post as deputy director general of the National Space Agency of Ukraine in connection with his transfer to another post.

Hennadiy Lelikov is to be relieved from his post as first deputy head of the Civil Service Main Directorate under the Cabinet of Ministers of Ukraine in connection with his transfer to another post.

Kuchma Comments on New Appointments

LD0507101395 Kiev Radio Ukraine World Service
in Ukrainian 0500 GMT 5 Jul 95

[FBIS Translated Text] Ukrainian President Leonid Kuchma, who is on an official visit to Germany, has held a news conference during which he commented, in particular, on the new appointments to the Ukrainian Government.

The president noted that on no account do the changes mean that the country's economic reform tactics will be changed; on the contrary, they will become more specific. The fact that Roman Shpek was appointed deputy minister of the economy and not minister of economic reforms signifies precisely who will be in charge of the specific current situation in Ukraine — that is, those problems that have not yet been examined in a practical way. The president assessed the appointment of Vasyl Hureyev as the new minister of the economy as a positive move. He was and will continue to be engaged in drawing up the structural reorganization of industry, he stated.

With regard to the reasons for the changes in Ukraine's power ministries, Leonid Kuchma said during the news conference that they were linked to the struggle against organized crime. The issue of coordinating all the law enforcement structures, particularly, the Prosecutor's Office, is one of the most important tasks today, he said. If you listen to each one separately you supposedly see enormous results, but if you look at the real situation then you see something else, he asserted. Precisely for that reason, the president said, Vasyl Durdynets was appointed deputy prime minister and chairman of the

Coordinating Committee for Combating Corruption and Organized Crime which has a great deal of experience. The fact that Volodymyr Radchenko came back is also clear and understandable, as is the fact that Yuriy Kravchenko became minister of internal affairs, he stated.

I would, however, like to disclose a secret, Leonid Kuchma said during the interview. Valeriy Malikov was offered the post of deputy prime minister but he turned it down. I do not understand it when someone, especially a person with a military background, rejects a post. With these words Ukrainian President Leonid Kuchma ended his short interview on the occasion of the new appointments to the Ukrainian Government.

Kuchma's Edict To Investigate Crimean Unrest

WS0407103595 Kiev URYADOVY KURYER
in Ukrainian 29 Jun 95 p 2

[Edict issued by President Leonid Kuchma on "urgent measures to eliminate violations of law and order in the Autonomous Republic of Crimea," in Kiev on 26 June]

[FBIS Translated Text] Mass violations of public order have recently taken place on Crimean territory in the cities of Feodosiya, Sudak, and others, accompanied by arson, pogroms, destruction of property, use of arms, and other forceful actions by organized groups, as well as temporary disruption of activities conducted by certain legal order institutions and malicious defiance of lawful orders by state power representatives. This has resulted in human casualties, bodily injury to many citizens, and considerable material damage. Although group crimes with human casualties have been committed in the past, the Crimean Government, the executive bodies of local soviets, and law-enforcement agencies have failed to react to them adequately, with the perpetrators getting off scot-free in most cases, and preventive measures remaining scarce and inefficient.

To resolutely foil illegal activities by criminal elements on Crimean territory, to protect the rights and freedoms of citizens, and to ensure their personal and material security in compliance with Article 24 of the Ukrainian Law "On State Power and Local Self-Government in Ukraine," I hereby resolve that:

1. Ukrainian Prime Minister Marchuk should set up a government commission to study the causes and consequences of the mass violations of public order in Feodosiya, Sudak, and other cities, as well as the status of anticrime efforts.

Yevhen Marchuk should within two weeks report on the government commission's findings and measures that it has taken.

2. The Ukrainian General Prosecutor's Office, in conjunction with the Ukrainian Interior Ministry and Security Service, should conduct a thorough investigation into criminal acts in Feodosiya, Sudak, and other Crimean cities; identify instigators of the violations, their active participants, and other individuals involved in them; and bring them to court according to existing legislation.

3. The Ukrainian Interior Ministry, Security Service, and National Guard, in cooperation with the General Prosecutor's Office should:

- put together and dispatch to the Crimean Autonomous Republic a group of qualified experts to carry out, in cooperation with law-enforcement agencies and local self-government executive bodies, coordinated measures intended to stabilize the situation in the Crimean Autonomous Republic and uncover mob and racketeering groups;

- create joint investigative and operational groups to investigate serious unsolved crimes — first of all, those committed with the use of arms and explosives.

Ukrainian Interior Minister Radchenko, Security Service Chairman Malikov, and Deputy General Prosecutor Danylenko are tasked with organizing and coordinating this effort.

4. The Crimean Government, executive committees of local soviets, and their chairmen should:

- utilizing all available capacities and in cooperation with citizens' groups and working teams, undertake urgent measures aimed at eliminating violations of lawfulness and the legal order in cities where such acts have taken place, as well as preventive measures to avert similar events in the future. The above measures should provide, above all, for the personal and property security of permanent residents of the Crimean Autonomous Republic, as well as those who stay in Crimea on vacation or for medical treatment;

- examine possibilities for having funds from the local budget pay for reinforcing police personnel and strengthening the material and technical base of law-enforcement agencies.

5. The Ukrainian Cabinet of Ministers and the Crimean Government should resolve personnel, financial, and material and technical supply issues concerning law-enforcement institutions operating on the territory of the Crimean Autonomous Republic.

6. Heads of oblast, city, and rayon councils should:

- within two weeks, comprehensively analyze the status of the legal order in all Ukrainian settlements, and

appoint people directly responsible for implementing concerted measures to prevent criminal encroachments, uncover organized criminal groupings and illegal migrants, and tighten control over the legal order at marketplaces, railroad and bus stations, transportation centers, and other public places.

7. Ukrainian National Guard Commander Kukharets should follow orders from Interior Ministry Kadchenko to ensure the urgent participation of National Guard units in protecting the public order.

8. The present edict comes into effect on the day it is signed.

[Signed] Ukrainian President Kuchma

[Dated] Kiev, 26 June 1995

Crimean Parliament Votes for Speaker's Resignation

LD0507100495 Moscow ITAR-TASS in English
0953 GMT 5 Jul 95

[By Lev Ryabchikov]

[FBIS Transcribed Text] SIMFEROPOL July 5 (ITAR-TASS) — The Crimean parliament voted for the resignation of its speaker Sergey Tsekhov on Wednesday.

54 out of 91 lawmakers who participated in vote by secret ballot wanted the speaker to step down, according to the vote-counting commission.

This was the second no-confidence vote in the speaker.

In March he succeeded to keep his post by winning over the support of three factions — "Russia", "Russia-Unity" and "Republic" — by promising to include their members into the presidium of the parliament.

In response the opposition began to boycott the work of the parliament and the legislature was actually paralysed.

Addressing the parliament today opposition member Mikhail Bakharev said the work of the legislature "was paralysed because it has been actually split in two parts and was incapable of adopting decisions".

The change of the speaker and the creation of the parliament leadership on a multi-faction basis "is our last chance, and if we do not use it we shall have to self-dissolve", Bakharev said.

Current Tatar Situation Reviewed

WS0307145195 Kiev INTELNEWS in English
0053 GMT 2 Jul 95

[By Lilia Budzhurova, "Special to IntelNews"]

[FBIS Transcribed Text] Simferopol, July 1— At the Saturday [1 July] session of the Medzhlis national assembly, Tatars passed a resolution demanding from the Ukrainian Parliament the formation of a special parliamentary committee on Crimea Tatars' issues. In light of the recent flare-up of violence against Crimean Tatars, the meeting was held outside of Simferopol for security reasons.

The proposed parliamentary committee, Tatars said, would go to the peninsula and propose to local law enforcement bodies that a volunteer public order squad be organized jointly with Crimean Tatars. Tatars also said that the legislative group would oversee establishment of an official guard for the Medzhlis.

Information from different Crimean regions was reported at the session. Local Medzhlis representatives said that more active movements of organized-crime groups have been observed in the Sudak, Kirovskoye, Dzhankey districts. Tatars said they have compiled data on the formation of armed hit squads in the Kirovskoye district. Tatars said that they have even observed the surveillance of the Medzhlis building from unidentified cars with video cameras inside.

Another result of the meeting was a decision to create a control center in the Medzhlis building to monitor the situation and organize a round-the-clock watch in every Crimean Tatar village.

Tatars have said that they are growing increasingly alarmed at the level of violence against them. They have previously appealed to President Leonid Kuchma, who established a presidential commission to study Tatar problems. Because their problems continue, Tatars said, they decided to appeal to the Ukrainian Parliament.

The suggestions by some members of the Tatar community that official inaction or slow progress in dealing with their plight might force Tatars to take the law into their own hands have prompted allegations toward Tatars. A recent outbreak of transgressions against suspected organized crime groups and their establishments has pointed suspicion at Tatars. Cafe Alionka near the Zavodskoye air field in Simferopol was burned on Thursday. The same day, a local entrepreneur was shot in his own car. On Friday a guard of reputed crime boss Ivan Grek was shot in a car in the intersections of Balaklavskaya and Russkaya streets. Between 2 a.m. and 4 a.m. Saturday in Simferopol, the U Borisa gas station, the U Andriya bar, the Kondor bar and the Tatyana

pizzeria were blown up. Tatars said that all the four businesses are controlled by the Bashmakov crime family.

Tatars said that Crimean law enforcement bodies currently attribute last week's mayhem against suspected organized crime groups to Crimean Tatars.

Server Kerimov, Medzhlis member and leader of Adalet, a newly re-formed Tatar ethnic organization, completely refuted this information. Kerimov said, "Medzhlis is anxious about this situation. In our view, provocation is possible in order to involve Crimean Tatars in the organized crime wars. For our part, we keep the situation under complete control and will not allow separate [Tatar] groups to square accounts with organized crime."

Second Shutdown at Nikolayev Nuclear Power Plant

LD0407103295 Kiev UNIAN in Ukrainian
0900 GMT 4 Jul 95

[FBIS Translated Text] Nikolayev Region — The third generating set at the South Ukrainian nuclear power station was turned off by an automatic emergency protection system at 2315 on 3 July, UNIAN has learned from the information center of the Ukrainian Ministry of Environment and Nuclear Safety's nuclear regulation administration.

The set was turned off 30 minutes after it had been reconnected following irregularities in the regulation of one of the set's parameters. This led to the pumps that supply water to the reactor being switched off.

According to preliminary assessments, the irregularities could have been due to staff error during switchovers from separate regulatory systems.

This is the second time that the first generating set at the South Ukrainian nuclear power station has been unexpectedly switched off, after it had been reconnected following routine maintenance on 1 July. The emergency protection system was first switched on on the morning of 3 July due to a malfunctioning separate regulatory apparatus.

It is expected that the generating set will resume operating on 4 July.

Economic Issues**President Kuchma Signs Edict on Privatization**

LD3006083095 Kiev UNIAN in Ukrainian
0800 GMT 30 Jun 95

[FBIS Translated Text] Kiev — Ukrainian President Leonid Kuchma signed an edict on measures to ensure

privatization in 1995. Under the document, it is envisaged that this year foreign citizens will be able to take part in the privatization of enterprises on an equal footing with Ukrainian citizens.

Joint Oil Venture Agreement Signed With Tatarstan

WS0507101895 Lvov INFOBANK in English
0830 GMT 5 Jul 95

[From the "News Service" feature]

[FBIS Transcribed Text] KIEV — On July 4 Ukrainian Deputy Prime Minister Ihor Mityukov signed an agreement with Tatarstan's Deputy Prime Minister Ravil Muratov regarding the creation of a joint Ukrainian-Tatar transnational financial manufacturing company "Ukratnafta." The company's founder on the Ukrainian side is the State Property Fund (50 percent of the statutory fund totalling \$450 million) and on the Tatar side it is the committee for administering state property. The main enterprise among the Ukrainian enterprises which will be a part of this company will be the joint stock company Kremenchuknaftorhsyntez and on the Tatar side enterprises joining the company will be the joint stock companies Tatnafta, Suvar, and Tink, the manufacturing association Tatnaftokhiminvestholding, and the joint venture J. Tatnaftoprom TR Communication Ltd. The agreement provides for the refining of 8 million tons of Tatar oil yearly by the Kremenchuknaftorhsyntez joint stock company beginning in 1995.

Low Technical State of Gas Pipelines Detailed

WS0507084995 Kiev KIYEVSKIYE VEDOMOSTI
in Russian 30 Jun 95 p 7

[Report by Svitlana Korotych: "Corrosion Destroys Gas Pipelines and the Primary Trump Card in a Gambling Game With Russia"]

[FBIS Translated Text] Much is said about our gas dependence on Russia. But only occasionally is it mentioned that Russia also depends on us in this aspect. All primary gas pipelines, through which Russian "GazProm" exports 93 percent of its gas to Europe, run across Ukrainian territory. This implies that Ukraine can still function as an equal partner in supplying Europe with gas. Ukraine will lose out if it no longer has gas pipelines and underground gas reservoirs. Judging from the state of the national pipelines, everything is going in this direction.

As of the beginning of the current year, 60 percent of gas turbines had outlived their natural life; 14.5 percent of gas pipelines had exhausted their amortization term — they had been utilized for over 33 years — and required repair and renovation. All gas-pumping machines utilized by "UkrGazProm" were designed in the 1960s; they were assembled and put into operation back in 1970. Due to shortages of money and spare parts, the volume of repair work is decreasing with every passing year. "UkrGazProm" can lose an opportunity to meet not only increasing demands in Russian gas, exported across Ukrainian territory, but to maintain the current level of gas exports. Some 14-16 billion of Russian rubles and some \$8 million should be spent on purchasing spare parts quarterly. Only 12.5 percent of the required spare parts were purchased over the first five months of this year. Statistical data, however, show that 39 out of 120 emergency gas pipeline situations were triggered by the fact that the anticorrosive protective coating of the pipelines had "aged." And pipelines with less than a 10-year life span accounted for 14 percent of the technical failures, while pipelines that have been in operation more than 20 years had a 26 percent failure rate.

When experts from the European Bank for Reconstruction and Development analyzed the technical state of the "UkrGazProm" joint-stock company in 1994, they reached the following conclusion: If considerable resources are not invested in capital repair and in replacement of compressor housing equipment after the year 2000, traditional methods of repair will not provide for the reliable functioning of Ukraine's pipeline system. With regard to "UkrGazProm" investments in planned repair work and in replacement of equipment through the year 2015, they will be paid back in a period of four to seven years after the work is launched.

According to estimates by Ukrainian experts, the degradation of gas pipelines, the reduced domestic gas extraction, and the decrease in charges for Russian gas in transit will lead Ukraine to genuine economic losses of no less than \$1 billion annually. "UkrGazProm" foreign partners, however, are ready to invest in the technical reconstruction of Ukraine's gas industry. In addition, they are ready and have already begun to draft projects for new gas transit routes, for new markets, and for new sources of gas supply.

Belarus**Chyhir Vows Favorable Conditions for Foreign Investments***WS0407142795 Minsk BELAPAN in English
1339 GMT 4 Jul 95*

[FBIS Transcribed Text] Almost all conditions necessary for drawing in foreign investments have been created in the country. This was announced by [Prime Minister] Mikhail Chyhir at a government press conference. After the IMF approved a stand-by credit to Belarus, according to Chyhir, one should expect an intensive influx of Western investments. During the visit of a Belarusian government delegation to Switzerland to take part in the International Economic Forum a number of meetings with representatives of foreign banks and companies took place. They were informed of the situation in the country and offered cooperation in the field of investment. If the IMF approves a long-term credit to Belarus, this question is expected to be positively solved as all conditions of the Fund have been fulfilled, "we will come nearer to the appearance of sizable investments in the country."

Sharing his impressions about the Swiss meetings Mr. Chyhir stressed that the West approved the tendencies that had taken shape in recent months in the Belarusian economy. Among favourable changes Western experts, in particular, name the stability of the national currency and a sharp deceleration of inflation.

Having enlisted the support of the President, the Government decided to raise tariffs on housing and communal services, Prime Minister Mikhail Chyhir said. A relevant enactment to raise the tariffs on July 1 will be issued within the next few days. As is generally known, the approval of the long-awaited IMF stand-by credit was put off because of the insufficient contribution of the population to covering the state's expenses on housing and communal services.

Speaker Hryb Views Dispute With President*WS0507104895 Minsk NARODNAYA HAZETA
in Belarusian 1 Jul 95 p 1*

[Interview with Supreme Soviet Chairman Myachleslaw Ivanavich Hryb by Syarhey Plytkevich; place and date not given: "Myachleslaw Hryb: We Have One People, and Because of Them, We Must Search for Understanding" — first paragraph is NARODNAYA HAZETA introduction]

[FBIS Translated Text] Belarusian President Alyaksandr Lukashenka on 26 June issued Edict No. 235 revoking Paragraphs 3 and 7 of Edict No. 12 dated 4 August 1994. We would like to remind our readers that according to

these paragraphs a number of companies, organizations, and institutions were subordinated to the Belarusian Presidential Administration. Does this mean that the president decided to return this property, primarily to the Supreme Soviet? We have sought an explanation of this from Supreme Soviet Chairman Myachleslaw Hryb.

[Hryb] We never intended to hand over anything to anybody. We are trying to resolve all issues in accordance with the law. The main thing for me, as Supreme Soviet chairman, is to preserve peace and accord in the country. I think that any steps leading to peace and consolidation are better than a confrontation. Certain media have reported that we have handed over our property. We have not handed it over, but it has been taken away from us. And we applied to the Constitutional Court as early as last year. The Law on the Supreme Soviet specifies what represents its property. Only the Supreme Soviet can change this law. We have thus made the following offer to the presidential administration: If you like these buildings, take them, but give us other quarters. I am not convinced the president knows about this, but our cars have been seized forcefully.

[Plytkevich] How did this happen?

[Hryb] Very simply. They arrived, removed our security guards and installed theirs, and did not let our cars into the garage.

[Plytkevich] Does this also refer to your car?

[Hryb] No, they let my car in, but it was the only one. I then ordered our people to park their cars near the garage, and organize protection. At night, however, Cabinet of Ministers drivers arrived, and drove our cars to their garage. I came in the morning, and asked: Why did you not inform me? Why did you do that at night? I had to appeal to the Prosecutor's Office. (Former Prosecutor General) Shaladonaw was not in his office, so I called Kandratsew [not further identified] He said that he needed a written request. What kind of written request? I, as Supreme Soviet chairman, ask them to defend the law, and he says something about a written request....

[Plytkevich] Have you tried to get in touch with the president and resolve all these problems?

[Hryb] Of course we have. We have already reached a reasonable agreement regarding the buildings. Although we have lost a great deal of furniture and other things, they still remain state property anyway. Nevertheless, we must find a compromise! When they tried to take away the "Kastrychnitskaya" hotel, I appealed to acting Prosecutor General Kapitan, and he reacted completely differently: Kapitan immediately warned them: If you

do not stop this outrage, I will press criminal charges against you, and you will be prosecuted.

[Plytkevich] Myacheslaw Ivanavich, it seems that according to the latest presidential edict the Supreme Soviet will keep its property. There have been many other resolutions regarding specific facilities, however, and nobody has revoked them.

[Hryb] The Constitutional Court has suggested that the presidential administration revoke all resolutions based on the August edict. If they are not canceled, the Constitutional Court will reexamine this issue.

[Plytkevich] Myacheslaw Ivanavich, what could you say about the president's statement that he will annul all [social] benefits? After all, various laws provide for these benefits....

[Hryb] I cannot comment on his statement not having seen the text of an edict. It is not yet known what kind of an edict this will be, or whether it will be issued at all. I can say, however, that presidential edicts cannot revoke laws passed by the Supreme Soviet. The president has the right to present a legislative initiative — he can present his proposals to the Supreme Soviet, and we will discuss them. As for the benefits, I agree that order should be restored in this area.

[Plytkevich] Do you agree with politicians claiming that Belarus is experiencing a constitutional crisis, and that we are in a political deadlock?

[Hryb] I do not think there is a deadlock in our country. We have the Constitution, and according to it the Supreme Soviet of the 12th convocation is still operating. The Supreme Soviet of the 13th convocation is currently being elected, and it will be operating. What kind of a deadlock is this? We are going to hold a regular session in the fall, and we have already prepared 63 issues for debate.

[Plytkevich] The president, however, has requested that the Supreme Soviet convene only in an emergency....

[Hryb] Excuse me, but if the Supreme Soviet is illegitimate, it has no right to convene in any event, and it should dissolve itself, because its decisions are illegal. But if the Supreme Soviet is legitimate, it can make any decisions it wants.

[Plytkevich] Myacheslaw Ivanavich, as a politician and head of the legislative branch, you should predict reactions to parliamentary actions. If the parliament decides to hold a meeting, will this not deteriorate the situation in our country? There is already talk that the old deputies will not receive salaries beginning 1 July.

[Hryb] There is such talk, but there is no legislative basis for this. According to the Law on the Supreme

Soviet we should hold two sessions annually. We act according to the law. If there are some illegal actions, however, we will apply to the Constitutional Court. In my opinion, we should amend the Law on the Supreme Soviet and the Electoral Law during the fall session. I am convinced that the required parliamentary quorum should be lowered.

[Plytkevich] These proposals were discussed at the latest session, however, and were rejected.

[Hryb] Our extraordinary session was very electrified by the circumstances and the futile elections. After our deputies have a rest and consider everything more calmly, they will most likely vote for these changes.

[Plytkevich] After the Supreme Soviet elections, there were many comments indicating that someone was defeated and someone won....

[Hryb] I think that it is too early to draw conclusions, since less than half of the deputies have been elected, and it is still unclear who will win the remaining parliamentary seats. Moreover, I do not want to speak about those who won or those who were defeated, since we live in one country, and have one people. If one listens to representatives of all parties, they all defend the people. We have one people, and will not have any other. We thus must search for understanding....

President Lukashenka Visits Salihorsk

WS0407133695 Minsk ZVYAZDA in Belarusian
1 Jul 95 p 1

[Report by BELINFORM correspondent Valyantsina Menshykava: "Alyaksandr Lukashenka: 'I Am Not a Dictator, But I Shall Restore Order in the Country'"]

[FBIS Translated Text] **In the framework of his visit to Salihorsk on 29 June, Belarusian President Alyaksandr Lukashenka met with managers of companies which are currently not operating.**

"It is not a matter for the state leader to resolve directors' problems: Otherwise, I would become a president of closed companies," Alyaksandr Lukashenka told the audience. "Everybody should do their own work. I should take care of the interests of Belarus, as well as of prosperity and security for all its citizens. I do not shirk this responsibility, nor I am going to do anybody's work."

Alyaksandr Lukashenka emphasized that his visit to Salihorsk was unplanned: This trip was not envisioned in the president's work schedule. He paid this visit anyway, because the situation in the country has changed: The highest echelon of administration has virtually been formed, and it is acting in unison with the state leader,

which cannot be said about the "presidential vertical" in the regions. He is thus shifting his activities to the regions, and will visit Orsha, Vitsebsk, and Brest in the immediate future.

While briefly addressing the economic situation in the country, Alyaksandr Ryhoravich Lukashenka said the following: "The difficult situation of certain Salihorsk-based companies is unfortunately typical for many Belarusian firms. There are, of course, objective reasons behind this, though much depends on directors and their ability to correctly perform complex tasks related to production."

The president noted that the government has already learned methods of macroeconomic stabilization: The inflation rate and the Belarusian ruble's stable exchange rate are confirming this. This situation, however, has shocked producers. Many company managers, having skillfully adapted themselves to inflationary processes which were "galloping" across the country until recently, have proven to be unable to work under the conditions of financial stabilization. As a result, we currently have a decline in production, a surplus of goods, and nonpayments.... However, this is not a reason for returning to inflation and devaluation as a constant process: Inflationary expectations will not be fulfilled.

"As long as I am president, nobody will manage to resume the process of deceiving and robbing the people," Alyaksandr Lukashenka stated. "I am being told that companies are being halted, that there is a chronic lack of working capital, that nonpayments are increasing, and that an economic collapse is approaching! What can one do? I am answering you — one can work and earn! Regardless of the banality of my recipe, the world economy has not known of any other solution to this problem since the times of Marx and Engels."

In this situation, the state leader is going to restore the system of responsibilities and tough demands at all levels, along the following chain: The Cabinet of Ministers — local administration — a company manager — workers.

"I am often being persuaded that I am shifting the balance to the administration's side, underestimating economic methods of state regulations. This is an erroneous opinion — I am not a dictator, but I shall restore order in the country." Order is essential, as the president emphasized. "Estimates are indicating that by liquidating negligence at all administrative levels, we can increase the efficiency of production by 25 percent. A reinforcement of managing cadres by professionals will be the next step. And although there is currently a chronic lack of market specialists, this is not a reason

for continuing to employ a manager who does not cope with his duties."

Despite the resoluteness and firmness of the president's stance, he made no authoritative decision. He gave Salihorsk directors another opportunity to demonstrate their professionalism and responsibility in practice. At the president's instruction, the Belarusian National Bank and the Ministry of Finance have set up a group to find noninflationary sources of financing and reorganizing the country's industrial capabilities.

President Addresses Prosecutor's Office Staff

WS0407112195 Minsk VECHERNIY MINSK
in Russian 30 Jun 95 p 1

[Unattributed report: "Edict Has Been Issued, Council Has Been Established"]

[FBIS Translated Text] The tasks of Prosecutor's Office agencies aimed at protecting law and order in our country were discussed at an expanded meeting of the Belarusian Prosecutor's Office Collegium in Minsk on 27 June.

"Prosecutor's Office employees currently have access to any official, and have the right to make him accountable for violating the law," said President Alyaksandr Lukashenka, addressing the audience. "Before the meeting, I signed an edict on your institution, which takes into consideration all demands you presented to me a month ago, during a ceremony introducing the new acting prosecutor general. True, [Prosecutor General] Vasil Kapitan is still only acting prosecutor general, but according to the current Constitution only the Supreme Soviet can confirm his appointment. Nevertheless, I would appoint him prosecutor general even today."

Continuing, our state leader stated that the crime-breeding situation in Belarus has become the main factor destabilizing the implementation of economic reforms. Opening a wide area for employees of Prosecutor's Office agencies to act, Alyaksandr Lukashenka simultaneously demanded that they efficiently perform their professional duties.

The president also reported that he had issued an edict establishing the Belarusian Coordinative Council headed by Vasil Kapitan, comprising representatives of all Belarusian authorities. With the help of this legislative act, Alyaksandr Lukashenka hopes to avoid separation of law enforcement agencies' operation, and at the same time improve their work.

TV Head Poptsov Interviews President Lukashenka
LD0307215095

[FBIS Editorial Report] Moscow Russian Television Network in Russian at 1800 GMT on 3 July broadcast the "Rossiya" program hosted by Andrey Karaulov, which consisted of a 45-minute interview with Belarusian President Alyaksandr Lukashenka by Oleg Poptsov, head of the All-Russian State TV and Radio Broadcasting company.

Showing Lukashenka and Poptsov seated in the grounds of what is captioned as the Belarusian president's Minsk residence and recorded on 25 June 1995, the program took the form of a wide-ranging discussion on the nature of power and democracy, and the role and concept of presidency within state structures. A number of specific issues are raised, concerning the president's electoral promises and his performance in office to date.

Lukashenka says that he was elected on the law and order ticket and on the platform of integration with Russia. Lukashenka recalls that during his campaign he promised to fight inflation and said that the 50 percent inflation in January 1995 was reduced to a mere three percent in May 1995, and that it declined further to 0.9 percent during the first two weeks of June. The Belarusian ruble was stable against the dollar.

Lukashenka appears almost nostalgic for the past. "We used to have a most powerful superpower. As a young man, I was proud of that state." As for the "integration with Russia and other republics, my latest actions testify to the fact that in this regard, too, I am fulfilling my electoral promises," Lukashenka says.

Speaking of corruption, the Belarusian president says he is "somewhat naive, thinking that it is possible to come to power, to get so much power in my hands, and to suppress it in society in one fell swoop. Nothing of the kind, you cannot do it overnight. Nor is it because a great deal of time is needed to find corrupt officials, no, this is not the reason. The reason is that corruption, the Mafia, Mafiosos, and corrupt officials have now taken over the economy, both in Russia and in Belarus. The most terrible thing and the most difficult issue here is the fact that Belarus is now surrounded by states where these processes have, unfortunately, already progressed a long way, and as soon as I begin to feel the collar of major figures and to take measures, a counter-recoil begins, starting from direct threats."

So painful is it for him to receive some information and such are the risks to his health as an emotional individual, that his staff preferred to keep things from him, but information still reached him.

Lukashenka returns to the subject of integration and says that "integration is an objective necessity. Our realities are such, and a pragmatic person had to and has to act in this way, because everything that has been created here has been created by Belarusians and Russians, and it is not known whose contribution is larger here — Russians or Belarusians. We would never have been able to build this economy ourselves. We have never imagined, neither Russians nor Belarusians, that we would at some time in the future have to live separate lives and that we would have this preposterous border between our peoples."

Lukashenka mentions some other examples of integration: "The former Soviet Union's air defense forces have been regionalized and we are cooperating here. We are cooperating with the border troops."

"As for the Air Force, for God's sake, let us cooperate, including the return to the airfields in Belarus that once belonged to our joint forces, for we have not destroyed them, we have not dismantled them, they are in good condition here — but Russia is now beginning to build airfields near Smolensk. One would like to ask why? Why is it that while withdrawing from Western Europe Russia left its tanks in the black soil zone near Voronezh? Why, when I have parking bays standing vacant?"

When asked by Poptsov whether this will be supported by his generals, Lukashenka says: "Incidentally, the president's policy, the policy aimed at unification of the Slavic people, especially where Russia is concerned, is supported in our army unconditionally and unquestioningly." This is supported in deed in Belarus and "our servicemen do not conceive of their service as being separate and distinct from the Russian Army," Lukashenka says.

"Let us resolve the human dimension by removing customs and borders, by helping our producers of goods, and by lowering prices for the people by any means, and by acting in this manner we will without fail arrive at some kind of formula for our mutual relations — maybe it will be a union upon a new basis, as they say, or maybe it will be even more tightly-knit. Life must lead us to it; we should not set up these federations and confederations artificially, from above," Lukashenka says, and adds that Russian President Boris Yeltsin supports this policy.

On a lighter note, Lukashenka says he did not have enough sleep, but what kept him going was a good game of tennis daily. A man of the people, he could not become used to having bodyguards everywhere.

President Tightening Censorship for Media

954F2673A Moscow MOSKOVSKIYE NOVOSTI
in Russian 11-18 Jun 95 No 41, p 21

[Report by MOSKOVSKIYE NOVOSTI staff correspondent Larisa Sayenko, under the rubric "A Conflict: Children of the Lie From the Ministry of Truth"]

[FBIS Translated Text] At the dawn of Aleksandr Lukashenka's presidency, his "spokesman" [rendered in transliteration from English] Aleksandr Feduta, who has the reputation of an intellectual and a specialist on Pushkin, remarked: "Aleksandr Grigoryevich does not like what is being written about him, but at the same time, he likes journalists as such."

Life has refuted this contention. Disagreeable editors of the most influential newspapers have been removed by now under all sorts of pretexts. And the spokesman specializing in Pushkin was recently replaced by Colonel Vladimir Zametalin.

The event that became an apotheosis of sorts in the life of the Belarusian mass media was Yuriy Azarenka's film "Hate. The Children of the Lie," enthusiastically endorsed by the president, who recommended it to the people for a "repeat viewing." The film is unpretentious: Documentary footage from the life of the Belarusian Popular Front, spliced back to back with fascist newsreels from the time of World War II, is intended as graphic proof that both are one whole. Ideological attacks on the opposition and national movement have swept like a tidal wave through all the monopolized newspapers, radio, and television on the eve of the elections and the referendum. Dissent is not permitted on television. Several hours before going on the air, live broadcasts on the political situation in Belarus, where unedited opinions could have sounded, are abruptly canceled without explanations.

"Management of the mass media has been brought to the point of the absurd. Everything is being supervised these days by Colonel Zametalin personally. The sociopolitical information administration increasingly resembles Orwell's 'Ministry of Truth,'" believes Leonid Mindlin, head of the Belarusian television's "Politika" studio.

By the way, even seemingly loyal editors of periodicals are beginning to complain about the pressure from the presidential ideologist.

Aggressive propaganda from above also meets with more determined resistance. "Children of the Lie" was marked by a student demonstration in front of the presidential administration building. As an argument, they were shown police truncheons. The initiator—Party of Beer Lovers activist Aleksandr Romashevskiy—is un-

der investigation and has been charged with malicious hooliganism.

Nikolay Statkevich, chairman of the Belarusian Association of Military Servicemen of the informal nationalist wing, reacted to the film quite eloquently: He slapped Director Yuriy Azarenka in the face and declared publicly that it is a matter of an officer's honor to do time for the truth. Discussions, squeezed out of the official mass media, are moving into the plane of nonregulation relations.

Private publications—as a rule, small circulation weeklies for small groups of the curious—are becoming increasingly sarcastic and biting. The authorities still have not succeeded in finding the author of the scandalously notorious poem "Luka Mudishchev the President," published in the SVOBODA newspaper. Aleksandr Grigoryevich on many occasions blamed former general procurator Vasilii Sholodonov, recently relieved of his duties, for the futility of this search for the author. Despite the fact that the Pen-Club, among whose members are, for instance, Basil Bykov and Svetlana Aleksiye- vich, declared the poem a literary work and spoke up against criminal prosecution. It looks as if "Luka Mudishchev" will follow the fate of the Song of Solomon, adjusted for the European longitude—without capital punishment.

The president reacts to the printed work excessively sensitively; In particular, he publicly called his interview with MOSKOVSKIYE NOVOSTI a "dirty piece with insinuations between the lines," although it consisted only of questions and answers recorded on tape.

My comrades in writing have increasing numbers of questions, and get fewer and fewer answers. Aleksandr Grigoryevich clams up, avoiding publications he cannot close down. Recently, Aleksandr Lukashenka expressed his admiration for the strength and fortitude of the Cuban people. Apparently, this is whose patience the Belarusian people will have to emulate.

Government To Finance Aid to Refugees

LD0307182295 Moscow INTERFAX in English
1640 GMT 3 Jul 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zhrebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] Prime Minister Mikhail Chigr has signed a resolution to finance the aid to refugees, a source at the republican cabinet told INTERFAX.

Under the resolution, foreigners with a registered application for the refugee status will receive a one-time

allowance of 60,000 Belarussian rubles (\$5), which is equal to the Belarussian minimum salary.

Refugees from the extremely poor category will enjoy additional assistance during the time their application for the official refugee status is considered. They will receive an allowance for food at a size of one minimum Belarussian salary in the second and third months of their migration, an allowance for clothing at an amount of no more than four minimum salaries, and money to pay for rented rooms.

After a foreigner receives the refugee identification card, he can also receive a one-time allowance at a size of one minimum salary.

The representative of the press service said that six regional and the Minsk city executive committees have been instructed to decide on places of temporary accommodation of refugees before August 1.

Moldova

Parliament Chairman Welcomes CE Admission

AU0407165895 Chisinau INFOTAG in English
1920 GMT 3 Jul 95

[FBIS Transcribed Text] Chisinau, INFOTAG, 3/7/1995 — Moldova's admission to the Council of Europe [CE] is the third important event after the declaration of independence and adoption of the national constitution, Parliament Chairman Petru Lucinschi said at today's press conference.

"Moldova has successfully passed entrance exams to one of the most prestigious European universities. New possibilities have been opened, and everything will now depend only on ourselves", he said. The parliament chairman emphasized that Moldova had become the 35th member of the Council of Europe and the first among CIS republics, and all CE member countries have voted for Moldova unanimously. And Italy, France, Spain, Poland and Baltic states rendered a particularly helpful assistance by supporting Moldova from the very beginning to the very admission.

Commenting on Tiraspol's statement that "the admission will in no way influence the Dniester settlement process", Lucinschi said that such sayings contain nothing new. Despite them the Moldovan leadership will consistently advance towards the Dniester settlement, and the CE membership will only provide new good prerequisites for that.

The membership will influence Moldovan-Russian relations, too, because Moldova, as a CE member, will be now speaking for Russia's admission to the forum.

Petru Lucinschi said, the problem of the Russian troops presence in Dniester was discussed in Strasbourg, and it will remain in the forum's attention until the troops are withdrawn from the Moldovan territory.

The parliamentary opposition supported Moldova's striving to join the Council of Europe, and opposition representatives acted in Strasbourg as members of a single Moldovan delegation, and no differences appeared there, Petru Lucinschi said at today's press conference.

Sergiu Mocanu of the opposition Popular Front has stressed that "Moldova's admission to the Council of Europe brings the republic farther from Moscow's influence", which is quite positive a factor, in the opposition's opinion.

"We stand up for consolidating Moldova's statehood, for only through the statehood we can implement our strategic goal — unification with Romania. In Soviet times, all territorial disputes between Romania and the Soviet Union were considered only by Bucharest and Moscow, while now, after the independence, they can be settled by Bucharest and Chisinau with an account of historic justice", Mocanu said.

He emphasized that some remarks, with which the Council of Europe conditioned Moldova's admission, coincided with the stance of the opposition factions in the Moldovan Parliament. This implies, in particular, abolishment of death punishment, pardoning of those already sentenced to death, and full implementation of the legal reform.

On which Lucinschi retorted that these were not conditions but commitments taken by Moldova at joining the Council of Europe.

Parliament Chairman Petru Lucinschi believes recent political events in the republic need to be approached to calmly.

When asked to comment his personal attitude to Snegur's quitting the ruling party, he replied that "everything will depend on the conduct of the most active part of the population, including the media".

"Nothing extraordinary has happened. The president and the PDAM [Democratic Agrarian Party of Moldova] leadership have exchanged their statements, and, I believe, this should be the end of the story. Our young state is in the very beginning of a long way, and all these are normal processes. Some people come, others go, and we need not dramatize things if somebody gets disappointed. If someone leaves a party, he or she is not yet an enemy. May be this person disagrees with some principles, but the sides may reach an agreement in the

long run. So let us not exaggerate and pour oil on the flame", Lucinschi suggested.

Commenting on internal party disputes, he remarked that "all parties have to pass this stage, especially if a party comes to power too rapidly, and concentrates too much influence and power in its hands".

Lucinschi on Russia Joining Council of Europe

LD0407224895 Moscow ITAR-TASS World Service in Russian 1406 GMT 4 Jul 95

[by ITAR-TASS correspondent Valeriy Demidetskiy]

[FBIS Translated Text] Chisinau, 4 Jul — Moldova, which has become the 35th state to join the Council of Europe, will petition for Russia's speediest entry to this prestigious European organization, Moldovan Parliament Chairman Petru Lucinschi stated today in an interview to an ITAR-TASS correspondent.

He noted that the presence of Russian troops on the territory of Moldova is a cause for concern expressed by experts at the recent sitting of the Council of Europe's Parliamentary Assembly. "Our entry to the Council of Europe should convince the leaders of the Dniester Region of the complete lack of prospects for their plans to build a parallel state entity on the territory of Moldova," the parliament speaker notes. In his opinion, Moldova's entry into the Council of Europe is a positive moment for the residents in the Dniester Region as they will have the opportunity to appeal to the supreme court to defend their rights. Petru Lucinschi said that a number of Moldovan laws need to be brought into line with European norms, and the parliament will shortly be obliged to implement all the Council's recommendations, in particular, an amendment on the abolition of the death penalty.

Aleksandr Karaman, vice president of the Dniester Region, believes that Moldova's entry to the Council of Europe is a violation of international norms "as Chisinau has not settled problems with Tiraspol." He expressed concern over the possibility that in future the Moldovan leadership will try to speak to Tiraspol from a position of force. "The beginning of aggression against the Dniester Region coincided with Moldova's entry into the United Nations," Karaman stressed, "having thus created a dangerous precedent."

Snegur Informs U.S. Diplomats on Transdniester Talks

LD0307155695 Moscow INTERFAX in English 1220 GMT 3 Jul 95

[FBIS Transcribed Text] CHISINAU, July 3 (INTERFAX) — Thanks to the efforts by the OCSE per-

manent mission and the Russian presidential envoy, the Moldovan Transdniester settlement talks have full chances to continue in a constructive fashion, Moldovan President Mircea Snegur told U.S. diplomats in Chisinau Monday [3 July].

At the same time, Snegur expressed the wish that Transdniester leaders would approach the issues under consideration with a higher sense of realism.

Speaking on the possibility of creating a Russian military base in Moldova, discussed at his meeting with Boris Yeltsin in Moscow, Snegur reiterated that the republic's Constitution banned deploying any military bases on its territory.

The next round of talks was scheduled for July 5 in Tiraspol.

PDAM Rejects Snegur's 'Anti-National Policy'

AU0407170795 Chisinau INFOTAG in English 1920 GMT 3 Jul 95

[FBIS Transcribed Text] Chisinau, INFOTAG, 3/7/1995 — The Executive Committee of the Agrarian Democratic Party of Moldova (PDAM) has appraised as groundless President Snegur's accusations of the party presented in his declaration about quitting the party. The statement, published in last Saturday's [1 July] PAMINT SI OAMENI [LAND AND PEOPLE] PDAM newspaper, reads that the president ungrounded reshapes agrarian democrats from reform conductors and supporters into a force conducting an "anti-national policy".

The PDAM leadership writes that they felt a particular joy when Mircea Snegur joined the party on April 19, 1994. "The fact that basic goals of our party were shared by number 1 person in the country caused a genuine satisfaction in our hearts. We have regarded this last year's decision of Snegur's as a decisive phase in the evolution of his political views and striving, as an act of a deep spiritual and civil comprehension of the choice made", reads the document.

It reminds that thanks to the PDAM's firm stance the republic adopted a new constitution, its position on the international arena has strengthened, Gagauzi questions solved, and a legislative framework for new economic relations, state and territorial governance has been created. At the same time, the party has failed to implement many of its program goals, and reforms were slow due to objective reasons.

"A greater part of the population realize the specific transition-period hardships, are confident about the PDAM's political potential, and proved once again

at the latest local elections that they share the basic principles of the party", the statement stresses.

Analyzing why "the president is refusing today to continue the joint struggle to implement the principles", the PDAM Executive Committee poses its own questions: "Maybe, he has given up the principles? Or, perhaps, the president has decided that he needs to follow a path of his own, or to find new companions to work together?"

The Committee has stated that its members had never doubted the course of economic reforms launched in 1992, and the party has never claimed that the future of Moldova is related only to former Soviet Union republics. The PDAM welcomes and supports mutually beneficial economic relations with the West.

As for Snegur's legislative initiative to rename the official language, the PDAM reminds that on the day when Article 13 of the Constitution was put to vote, Mr. Snegur refused to come to the Parliament. "Perhaps, in those times the president was still faithful to the position which he voiced publicly during the memorable nationwide congress called 'Our home, Republic of Moldova', when he stated that the name of our language originates from the name of our country", the Statement emphasizes.

"A real conflict situation has emerged in our society", believes Anatol Popusoi, Deputy Chairman of the parliamentary PDAM Faction. In his article published in PAMINT SI OAMENI of last Saturday, Popusoi interprets the conflict by the fact that "a part of intelligentsia believe that we are Romanians and speak Romanian, which is categorically opposed by an overwhelming majority of population. Some forces urge us to unify with Romania, which causes a considerable alarm of the population".

Popusoi writes that President Snegur's legislative initiative to rename the language into Romanian was a reaction on the noisy student strike last spring, and will be undoubtedly considered by the Parliament.

Without denying the identity of the Moldovan literary language with Romanian, Anatol Popusoi states that "only the people have a right to decide how to name their own language — through a referendum".

PAMINT SI OAMENI writes also that at the last week's sitting of the PDAM Executive Committee Prime Minister Andrei Sangheli said it would be inexpedient to amend the Constitution because this would lead to ruining Moldova as an independent state. The Prime Minister has supported the idea of the language referendum, and stressed that it needs to be thoroughly prepared and conducted.

The Executive Committee has also spoken for convening an ordinary PDAM congress, for bettering political and ideological work, for a closer cooperation with the media, including the national television, which "just ignores the Agrarian Democratic Party".

Snegur Seen as Starting Presidential Run

LD0407172195 Moscow ITAR-TASS in English
1354 GMT 4 Jul 95

[By Valeriy Demidetskiy]

[FBIS Transcribed Text] CHISINAU, July 4 (ITAR-TASS) — The Chisinau-based newspaper MOLDOVANUL appraised the withdrawal by Moldovan President Mircea Snegur from the ruling Agrarian Democratic Party of Moldova (PDAM) as "the start of an election race for the presidency."

The editorial commentary published on Tuesday notes that the following three leaders will put forth their candidacies at the presidential elections to be held 18 months later: present head of state Snegur, parliament speaker Petr Lucinschi and Premier Andrei Sangheli. Incidentally, each of them has his own political party.

The newspaper claims that the party of social progress was founded for Petr Lucinschi last month. He will take the vacant post of the party leader at the coming elections.

When the split of the ruling Agrarian Democratic Party, which started in June, ends, some Agrarians will follow Snegur and will form the core of a national revival party which will be headed by the president.

Premier Sangheli will likely head the Agrarian Democratic Party which will bloc with communists and socialists.

Recognising that "the recent elections to local bodies of self-government showed that communists enjoy some influence in society", PDAM Deputy Chairman Tudor Olaru did not preclude a chance that Communist Party leader Vladimir Voronin, former republican interior minister, will join the presidential race.

Assailant Attempts To Kill Russian Commander

AU0507090395 Chisinau INFOTAG in English
1914 GMT 4 Jul 95

[FBIS Transcribed Text] Tiraspol, INFOTAG, 4/7/1995 — A grenade was thrown by an unknown person into the yard of the summer cottage of Colonel Mikhail Bergman, the military commander of the Russian contingent in Dniester, reliable sources have reported to INFOTAG. Fortunately, the explosion of the hand grenade happened very late at night last Sunday [2 July],

when the yard was already empty, and nobody of the Bergmans was hurt. The Bergman's dacha, which earlier belonged to the former Commander of the Russian 14th Army General Yakovlev, is located in the Slobozia area, not far from Tiraspol. In Lebed's era, Colonel Mikhail Bergman used to severely criticize the Dniester leadership, who, in his firm opinion, were closely associated with local shadow structures. Army Commander Alexander Lebed had many times stated that "should

a single hair drop from the head of a Russian serviceman here, I shall undertake tough measures, including military ones..." Three days after his departure from Tiraspol, a murder was attempted against his "reliable ally", Colonel Bergman. Russian officers are beginning to complain that they are suffering pressure by the contingent's new command, and by unknown semi-military structures of Tiraspol.

Kazakhstan

Defense Treaty Amendments Agreed With Washington

LD3006205495 Moscow ITAR-TASS World Service
in Russian 1658 GMT 30 Jun 95

[By KAZTAG correspondent Marat Kaliyev for TASS]

[FBIS Translated Text] Almaty, 30 Jun (ITAR-TASS) — Representatives of the Kazakhstan Defense Ministry and the U.S. Defense Department today adopted amendments to several agreements signed in the past. The amendments include providing Kazakhstan with material and technical means and services for setting up an intergovernment communication line and systems of export control to prevent the spread of weapons of mass destruction. They also envisage supplying to Kazakhstan necessary materials, equipment, and means and organizing training for the specialists who will eliminate the launch silos for intercontinental ballistic missiles and their components.

Germany's Kohl Sends Letter About Credit Line

LD0407111795 Moscow ITAR-TASS in English
0943 GMT 4 Jul 95

[By Gennadiy Kulagin]

[FBIS Transcribed Text] ALMATY, July 4 (ITAR-TASS) — Germany has opened a credit line to Kazakhstan to the sum of 200 million German marks for purchasing main production facilities and improving the balance of payments, says a letter, sent by German Federal Chancellor Helmut Kohl to Kazakh Prime Minister Akezhan Qazhygeldin. It has been published in the local press today.

The letter expressed support for the cooperation between Kazakhstan and the International Monetary Fund in the interests of the implementation of the economic reform programme. "The Kazakh Government may count on the support of Germany within the framework of bilateral and multilateral relations," Kohl wrote.

Germany has been developing financial cooperation with Kazakhstan since 1993, when Almaty was given 55 million German marks for the first time. The allocation of 500 million marks for the implementation of a long-term project of the modernization of the Kazakh telecommunication network was one of the recent large purpose-oriented loans.

Nazarbayev Stance on Draft Constitution Viewed

LD0307130395 Almaty DELOVAYA NEDELYA
in Russian 30 Jun 95

[FBIS Translated Text] An edict by the president of the Republic of Kazakhstan "On nationwide discussion of the draft constitution of the Kazakh Republic" has been published in today's newspapers.

A month is allotted for the procedure of involving the broad mass of people in working out a draft accord between society and government, although most observers have expressed the fear that this period might be reduced considerably because of expected disagreements between members of the expert-consultative council set up by a presidential decree of 22 May. Incidentally, according to the text of that edict, the expert-consultative council was set up "with the aim of analyzing and carrying out an independent examination" of the draft constitution. However, the results of the expert analysis by these scholarly luminaries have for some reason not been widely publicized.

That is one thing. For another, the session of the Assembly of the Peoples of Kazakhstan, which opens today, has not yet given its opinion on the expert-consultative council's brainchild. What if the Assembly of the Peoples of Kazakhstan which, according to its statute, is "a consultative and deliberative organ responsible to the president", decides the draft is half-baked and suggests that the head of state return it for improvement? This version is of course improbable, but theoretically it is possible. The president, or rather his advisers who prepared the edict on nationwide discussion, without a second's hesitation published the dates - from 30 June to 30 July. As it turns out, the discussion of the draft at the session of the Assembly of the Peoples of Kazakhstan was not taken into account from the beginning, on the principle that "I have discussed it with you, and I have decided."

Or maybe the president was "put on the spot" again, giving the opposition one more reason to charge him with "a tendency towards authoritarianism"?

Apart from that, the announcement of the beginning of the nationwide discussion means the publication of the draft in all official mass media, both republican and local. Moreover, this is has to be done no later than 30 June, in other words - today. However, it is clear to any sensible person that provincial newspapers simply will not manage to publish the document the day after KazTAG distributed it, and only two days after it was signed. Only semi-official publications in the capital could manage that, and this at the cost of "much blood". Moreover, KAZAKHSTANSKAYA PRAVDA

and VESTI KAZAKHSTANA reach most regions with a two- or three-day delay. So people in the regions will familiarize themselves with the draft of new Basic Law on Monday or Tuesday at best. This in itself is already a violation of the presidential edict.

Why all this haste, one might ask? The referendum, as is known, is planned for 21 August, is it not? However, there are also experts, who have "to consider and generalize the remarks and suggestions expressed in the course of the nation-wide discussion". It is to be supposed that they will be engaged in this for 20 days. We should not be surprised if later on it becomes clear that we are to vote for a different draft at the referendum to the one we "discussed nationwide" for so long.

Nazarbayev Welcomes Constitutional Proposals

LD0407185595 Almaty Kazakh Television First Program Network in Russian 1100 GMT 04 Jul 95

[FBIS Translated Text] Kazakhstan is preparing to adopt a new constitution. Naturally, it is this topic on which politicians and reporters are focusing their attention. Our first report is from the Presidential Council.

[Unidentified correspondent] The republic-level press published the new draft constitution today. Nationwide discussions of it are to be conducted in July. At a press conference which took place this morning, President Nazarbayev commented on the draft, and the procedure for adopting it.

[Begin Nazarbayev recording] I think that after much work — sometimes we worked on this draft several days in a row; sometimes from morning till night in our country residence — a substantial amount of work has been done. Every article, every word, every clause was duly thought over. We have carried out some eight sociological surveys regarding certain contentious provisions. Corrections have been made with the participation of all ethnic groups and social strata in all the regions of Kazakhstan. As they say: There is always room for improvement.

Nationwide discussions are to take place. Soon we will draw general conclusions from proposals submitted to us. Frankly speaking, we will simply take organizational measures so that every enterprise, no matter what type of ownership exists there, can hold discussions and put forward proposals.

My task is to ensure that this is truly a document which all share. I do not know of any other way of uniting all the people of Kazakhstan into one nation, so that they will have respect for their country and their basic law and, on the basis of which, the nation of Kazakhstan

can really come into being. Our constitution begins with this. [end recording]

[Unidentified correspondent] The following question was put by the KHABAR agency: Is there any guarantee that populist ideas will not be included in the text of the constitution after nationwide discussions? In answer to this question the president said:

[Begin Nazarbayev recording] The task is duly to consider those ideas which are advantageous to the people of Kazakhstan. I hope you will also submit proposals to me. Naturally, I can make it clear that we will accept proposals which would be beneficial to the welfare of the people of Kazakhstan, to general peace and to inter-ethnic accord, which would make it possible for us to get on. [end recording]

Justice Minister Appointed Deputy Premier

LD0407095595 Almaty Kazakh Radio First Program Network in Russian 0904 GMT 4 Jul 95

[FBIS Translated Text] By decree of the president of Kazakhstan, Nagashbay Amangaleevich Shaykenov is appointed deputy prime minister of Kazakhstan and minister of justice.

Kyrgyzstan

Prime Minister on Collapse of Russian Economic Ties

LD2906205095 Moscow INTERFAX in English 1830 GMT 29 Jun 95

[FBIS Transcribed Text] The collapse of economic relations between Russia and Kyrgyzstan led to a serious decrease in industrial output in Kyrgyzstan, Kyrgyz Prime Minister Apas Dzhumagulov said during his talks with Russian Deputy Minister for Cooperation with the CIS Countries Vadim Kisin in Bishkek Thursday [29 June].

He said the present situation was favorable for restoring Russian-Kyrgyz economic relations because Kyrgyzstan had no debts to Russia.

Dzhumagulov said Russia and Kyrgyzstan were interested in jointly constructing a hydro electric power stations on the Naryn River and jointly selling electric power. He said that Kyrgyzstan, which annually produces 142 billion kWh of electric power, might export a considerable part of electric power.

Dzhumagulov said he was in favor of developing bilateral cooperation in the area of machine-building and in the electric-technical industry. He also proposed that a joint venture for producing semiconductors be created.

Akayev Meets Privately With IMF Official

LD0407172295 *Moscow Russian Public Television
First Channel Network in Russian 1100 GMT 4 Jul 95*

[From the "Novosti" program]

[FBIS Translated Excerpt] Kyrgyzstan's President Askar Akayev met (Daniel Kayser), executive director of the International Monetary Fund, in Bishkek today. On the eve of the meeting the head of the republic said at a government sitting that there was a threat of Kyrgyzstan changing from an industrial-agricultural republic into a dependent supplier of raw materials like some African countries.

[Correspondent Vladimir Fedorov] Today's meeting between Askar Akayev and IMF executive director Daniel Kayser was held behind closed doors. It is a well-known fact that both the IMF and the World Bank favor Kyrgyzstan as a country which fully follows their advice. At a recent meeting in Paris, donor-countries approved the first stage of economic reforms and allocated funds for the second stage, even more than they had actually promised. Nevertheless the creditors have every right to be seriously concerned. [passage omitted]

Kyrgyz President Sues Newspaper for Libel

LD0407162895 *Moscow ITAR-TASS in English
1250 GMT 4 Jul 95*

[FBIS Transcribed Text] BISHKEK July 4 (ITAR-TASS) — Court hearings, instituted by Kyrgyz President Askar Akayev against the RESPUBLIKA newspaper, started in the Kyrgyz capital Bishkek on Tuesday [4 July]. The president as a citizen accuses the editor and his deputy of slanderous concoctions against him.

The Kyrgyz leader claims that the editorial board circulated a premeditated lie by writing that he has his own dwellings in Switzerland and Turkey.

In March, the independent RESPUBLIKA newspaper carried a letter by a group of Bishkek residents who protested a decision by the townhall which gave a permit to Akayev to build his own house in downtown Bishkek.

To vacate a place for him, the city authorities decided to raze to the ground garages and sheds of the letter's authors. On learning that his house's construction may cause inconvenience to some people, the president interfered with the case, and the townhall repealed its decision.

Akayev has nothing against the essence of the open letter, but he was irritated by an editorial commentary which said that he allegedly had a house in Turkey and a villa in Switzerland.

The president stresses that he has no houses abroad, which he wants to prove at the court hearings.

Bishkek To Receive \$45 Million World Bank Credit

LD0407183195 *Bishkek Kyrgyz Radio First Program
Network in Russian 1100 GMT 4 Jun 95*

[FBIS Translated Text] According to the government press service, following the first telegram, the head of [word indistinct] department at the World Bank, (Huan), informed the prime minister that a resolution to render 45 million dollars to Kyrgyzstan to conduct privatization of agriculture and to reorganize enterprises of the Aptyak [as heard] line was approved at the Board of Executive Directors of the International Development Association [IDA], held on 28 June. An agreement will be signed soon, and our parliament will have to ratify it.

Tajikistan

Bulgarian Foreign Ministry Delegation Received

LD0507103595 *Dushanbe Radio Tajikistan Network
in Tajik 0500 GMT 5 Jul 95*

[FBIS Translated Text] Yesterday, our Foreign Minister Talbak Nazarov received a delegation from the Bulgarian Foreign Ministry.

Ivan Mateyev, minister without portfolio and head of the department for the Central Asian and Caucasian states; Ognyan Gerkov, head of department for eastern Europe and the CIS countries; and Rumen Dechev, representative of the Ministry of Foreign Economic Trade and Cooperation, were among the delegation.

In the course of a warm and friendly conversation, the parties discussed issues connected with political and economic cooperation between Tajikistan and Bulgaria.

Bulgaria's representatives expressed satisfaction at the fact that the political situation in Tajikistan has been brought back to normal and that conditions are being created for cooperation in various spheres in the country.

The Bulgarian diplomats handed over a letter from Georgi Pirinski, their country's foreign minister. The hope was expressed in the letter that this first visit by Bulgarian representatives will create a favorable basis for the further development of relations and beneficial cooperation between the two countries. Further on in the letter, the hope is expressed that the consolidation of relations between the two countries will fully coincide with their democratic development in conditions of peace and stability.

President Rakhmanov Visits Southern Region

LD0407081895 *Moscow ITAR-TASS in English*
0645 GMT 4 Jul 95

[By Galina Gridneva]

[FBIS Transcribed Text] DUSHANBE, July 4 (ITAR-TASS) — President of Tajikistan Emomali Rakhmanov is looking into the political, social and economic situation in the republic's southern region of Khatlon where he arrived on Monday, sources in the Government of Tajikistan told ITAR-TASS today.

A high-ranking government official said "the head of state is on his planned working trip to the region." The President has already visited all other regions of the republic for the same purpose.

According to the source, the trip is not directly related to the recent events in the region's administrative centre Kurgan-Tyube where local clans are involved in endless gunfights for recarving their spheres of interests.

Along with this, the source did not rule out that the head of state would discuss stabilisation in the city in the course of his meetings with local inhabitants and authorities.

The conflict situation in the region has been investigated by a governmental commission made up of representatives of all power structures. On the whole, the situation is fully controlled by the local authorities and law enforcement agencies.

Rakhmanov in Bid To End Conflicts Among Supporters

LD0407090695 *(Clandestine) Voice of Free Tajikistan in Tajik* 0330 GMT 4 Jul 95

[FBIS Translated Text] Emomali Rakhmanov, the head of the Dushanbe communist regime, has arrived on an urgent visit to Kurgan Tyube [in southern Tajikistan] in order personally to take part in dealing with conflicts among his supporters. Emomali Rakhmanov is accompanied by senior officers from the Russian military units stationed in Tajikistan.

A state of emergency and curfew were imposed in the town and in districts in the area before the president of the regime's visit to Kurgan Tyube.

Rakhmanov intends to calm his disobedient supporters, who are rivals to each other, with the assistance of Russian military servicemen. Despite Rakhmanov's efforts, sporadic skirmishes are continuing in Kurgan Tyube and its suburbs. Residents in particular are living in difficult and troublesome conditions.

Regime Supporters Said in Internecine Clashes

LD0307134395 *(Clandestine) Voice of Free Tajikistan in Tajik* 0600 GMT 3 Jul 95

[FBIS Translated Excerpt] The latest reports from Kurgan-Tyube show that internecine clashes between supporters of the regime have intensified. A state of emergency and a curfew have been imposed in Kurgan-Tyube. [passage omitted]

In reality, the situation in this unfortunate town with its many breaches of the law has not been quite this bad before, even in the period after [Tajik President] Emomali Rakhmanov and his military government came to power. The reason is that the present situation revolves around the distribution of territory between Kulyabis [Rakhmanov's countrymen] and the armed men [reference to former members of the People's Front militia which brought Rakhmanov to power]

It is known that when Emomali Rakhmanov, the former farm head, came to the throne, he had no background in the running of government, has no authority as a ruler, and has begun the distribution of posts at all levels of both central and local government.

At first Rakhmanov promised that he (?would give posts) to everyone who made a contribution to his advent to power, including rank-and-file members of the People-Killing Front [reference to People's Front] of Sangak [deceased People's Front commander]. But later he forgot his promise. He distributed all offices to his countrymen with a background similar to his and made a limited locality the general governor of the entire affairs of Tajikistan. [passage indistinct]

All power in the town and districts of Kurgan-Tyube were in the hands of the Kulyabis from Kulyab or, as they put it themselves, the real Kulyabis.

Rakhmanov's countrymen from Kurgan-Tyube - that means the Kulyabi residents of Kurgan-Tyube - have suddenly woken up and they see that they remain far from power. A sense of disagreement and rancor has appeared in them, and increases day by day. They claim: "We too fought and gave our blood, so why we are left aside now?"

It must be said that Yoqub Salimov's appointment as interior minister, despite the fact that Yoqub was born in Vakhsh [in Kurgan-Tyube] but is considered to be a Dushanbe Kulyabi, did not satisfy Kurgan's Kulyabis. Moreover, he cannot or does not want to defend the interests of his countrymen from Kurgan-Tyube.

The drum of dissatisfaction was beaten first by Fayzali Saidov. On a spring day in 1993 he moved on the capital, surrounded the defense, security and interior

ministries, and demanded the retirement of Aleksandr Shishlyannikov, Saidamir Zuhurov and Yoqub Salimov. But Rakhmanov, with the help of Sangak and CIS forces, calmed Fayzali and sent him back to Kurgan-Tyube.

On 31 March that year, Fayzali Saidov was killed by Sangak in very mysterious incident. After this, Rakhmanov did not pay much attention to the Kurgan-Tyube Kulyabis. Finally, the failure to appoint Abdulmajid Dostiyev, the only representative of this area, to the chairmanship of the Assembly made them impatient and bent on harsh action. This time as well Fayzali's group was in the lead. However, now it was led by Izzat Kuganov, a deputy and a cousin of Fayzali's.

It must be said that of late Kuganov had almost left the ranks of the central government. He was reinforcing his forces with the youth of Kurgan-Tyube, and had thus been preventing them from serving in the army. The government was anxious at the increasing numbers of Uzbek-speaking residents of Kurgan-Tyube, which could create support for Kuganov from President Islam Karimov of the Republic of Uzbekistan, such as Fayzali Saidov received in 1992.

By this time, Rakhmanov apparently entrusted Yoqub Salimov with placing Kuganov and his men under his command. Yoqub, in the manner of the common criminal world, wanted to give a hand to Kuganov, and asked him to be commander of a special battalion of the Interior Ministry. The latter did not shake hands with the minister-racketeer, and abruptly turned down his request. Yoqub Salimov for the second time tried to meet Kuganov half-way [words indistinct] to join the Interior Ministry, but this time he was also dissatisfied.

Kuganov saw the murderer of his uncle and teacher Fayzali Hasanov in the form of the minister, and each time refused him with particular disgust. Finally, Yoqub had to dispose of this 25-year-old disobedient commander. [passage omitted] And now the tension between the two groups of Kulyabis has escalated to armed clashes. [passage indistinct]

Our correspondent in Dushanbe says that the government has not allowed refugees from Kurgan-Tyube to enter the capital, to avoid increasing [word indistinct]. These poor people were sent to Lenin district [words indistinct] It must be said that another well-known murderer called Mahkamboy, leader of an armed group of local Uzbeks, has joined Izzat Kuganov's group, and has decided to deal with the Kulyabi Kulyabis of Kurgan-Tyube [words indistinct] [passage omitted]

Russian Border Guards Said Causing Outrages

LD0407095195 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 3 Jul 95

[FBIS Translated Text] Once more on the role of the Russians in Tajikistan [words indistinct]. A statement reported by the UN mission in Tajikistan back to the UN [word indistinct] in New York says that the claims of the Russian border guards appear to be untrue when they said that a group of mojahedin of the Islamic Movement of Tajikistan launched an attack on a border post, encountered severe resistance from the border guards, and were destroyed.

UN employees in Badakhshan region went to the scene of the incident and, as a result of their investigation, they concluded that in reality this was the work of the border guards themselves, who fired and [word indistinct] the neighbouring villages, in which it is obvious that innocent people were killed.

When these UN representatives talked to local residents, they said openly that the mojahedin had no hand in this, and that the Russian border guards put this action into effect to tempt and provoke [words indistinct], and fired on civilian villages in Afghanistan, thereby causing alarm among the people. They also openly said that all the events here [words indistinct] are linked to the Russian border guards.

This means that we can see how the Russian border guards and Russian military servicemen on the whole want to keep the situation as tense as they can, and to maintain instability in Tajikistan by all means. They carry out their intrigues sometimes on the border and sometimes inside the country [words indistinct].

Turkmenistan

Foreign Minister on 'Triangular' Diplomacy

LD3006185195 Moscow INTERFAX in English 1524 GMT 30 Jun 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] ASHGABAT, June 30 (INTERFAX) — Turkmenistan believes a three-partite or "triangular" diplomacy is one of the important directions of its foreign-policy activities, said on Friday in Ashgabat, in an interview with INTERFAX, Deputy Turkmen Prime Minister, Foreign Minister Boris Shikhmuradov.

According to him, Turkmenistan and Iran are, as a rule, two invariable sides of the "triangular". "This is another confirmation of the conclusion by Turkmen President

Saparmurad Niyazov to the effect that following the disintegration of the former Soviet Union, a new region formed, in which Turkmenistan and Iran acquired special importance of transit states at the junction of regional and inter-regional interests," said Shikhmuradov.

Practice has shown, he said, that in conditions when former contacts change seriously — not without damage for their participants — it is necessary to search for new forms of inter-state cooperation. "Life itself, not theoretical studies, has drawn us to the need to create 'triangulars' of mutual benefit and maximum consideration of each other's trade and economic interests," said Shikhmuradov.

He said that the "triangular" Turkmenistan-Iran-Armenia was formed after the presidents Niyazov, Ali Akbar Hashemi Rafsanjani and Ter-Petrosyan met in Iran in March.

Shikhmuradov said that the three-partite meeting of the foreign ministers of Turkmenistan, Iran and Armenia in Ashgabat on June 26-27, surpassed all expectations. "Frankly speaking, we did not expect that we would sign so many important documents," said the foreign minister.

Signed at the meeting were a three-partite trade and economic agreement, as well as protocols on cooperation in the sphere of energy and transport. The three sides coordinated the draft charter of a joint transport company, agreed on cooperation between the central banks and created committees for transport, energy, economics, trade and banking, as well as on coordinating and preparation of documents.

Shikhmuradov said that the three countries' foreign ministers will meet again in Yerevan late in August.

According to Shikhmuradov, operational are also "triangulars" Turkmenistan-Iran-Ukraine, Turkmenistan-Iran-India, Turkmenistan-Afghanistan-Pakistan.

"The three-partite cooperation Turkmenistan-Moldova-Russia and Turkmenistan-Iran-Russia is being prepared. Ashgabat, Teheran and Moscow discuss interesting projects concerning the development of the Turkmen shelf of the Caspian Sea and the construction of the railway from Astrakhan to Iran along the Turkmen coast of the Caspian Sea," said Shikhmuradov.

He said that the "triangular" diplomacy is not the sole priority in the foreign-policy activities of Turkmenistan. "It is not that Ashgabat staked on the 'triangular' diplomacy to the detriment of bilateral relations. The

latter are the basis for our foreign policies. 'Triangulars' are only called upon to sustain them," he said.

He said that "triangulars" are no blocs. "They are open for all who wish to join them. 'Triangulars' may rapidly transform into other geometrical figures," said Shikhmuradov.

Niyazov Moves To Placate Food Producers

MM0507084395 Moscow SELSKAYA ZHIZN
in Russian 4 Jul 95 p 1

[Report by Grigoriy Kolodin: "Parity Reestablished"]

[FBIS Translated Text] Republic of Turkmenistan — By sharply raising the purchase price of agricultural output, the Turkmen authorities have improved economic relations between the city and the countryside.

After flying over the grain fields of three oblasts in a helicopter and talking things over with farmers during his stops, President S. Niyazov of Turkmenistan then held a conference where he signed a decree on new state purchase prices for agricultural produce. The intention of the country's leader is that their sharp increase should reestablish price parity between the equipment, fuel, and mineral fertilizers offered to the countryside on the one hand, and the output of the fields and farmsteads on the other. The government decision is also designed to give the farmers incentives during the harvest work which has just begun, particularly the grain-growers. The purchase price of grain has been raised almost twelvefold. In addition to this measure, a decree has been adopted exempting all workers involved in the harvest from paying income tax. In our difficult inflationary times another measure taken by the Turkmen government is also impressive: The peasants are to receive the money for the grain produced right after it is handed over the processing enterprises.

Naturally the cotton growers, who are involved in cultivating the republic's most labor-intensive crop, have not been forgotten either. The purchase price for raw cotton has been trebled. The cost to the state of stockraising produce has risen in approximately the same proportion.

Yu. Rakhmanov, chief of the Cabinet of Ministers economic analysis and social issues department, is convinced that the country's leadership will find sources for subsidies in the future in order to avoid causing major prejudice to the interests of city-dwellers — both ordinary citizens and those who process raw materials.

Armenia

International Observers Arrive For Elections

LD0307203295 Moscow INTERFAX in English
1827 GMT 3 Jul 95

[FBIS Transcribed Text] YEREVAN, July 3 (INTERFAX) — A delegation of the European Union and the Euro-Parliament came to Yerevan today as international observers who will control the elections to the Armenian National Assembly and a referendum on the new constitution.

The delegation includes representatives of various political parties from several European countries.

The delegation told Armenian Prime Minister Grant Bagratyan at their meeting today that observers were in favor of ensuring the freedom of the press during the elections. Bagratyan reassured the delegation that "the freedom of the press is ensured and there is no risk that it might be violated."

President Makes TV Address About Elections

NC0407150895 Yerevan SNARK in English
1215 GMT 4 Jul 95

[FBIS Transcribed Text] Yerevan, July 4 (SNARK) — Armenia's President Levon Ter-Petrosyan appearing on Armenian TV late on the evening of July 3, appealed to the Armenians to give their vote for the Constitution and the block "Respublika" considering them to be a path to independence, security, and prosperity.

The President believes that the opposition's victory at the July 5 election might neutralize all achievements gained during the past years, such as the liberation of Nagorno-Karabakh, a stable political situation in Armenia which in turn helps stabilize the situation in the region, as well as the economic development program drafted by the Armenian Government together with a number of international financial organizations.

Levon Ter-Petrosyan stated that the draft Constitution meets today's demands and long-term prospects. At the same time he noted that the Constitution is not perfect and later it will be improved.

Concerning political forces in Armenia, the President expressed regret for the absence of a solid opposition with concrete ideas and programs. According to him, creating a mighty political bloc just before the elections will promote forming a radical liberal-democratic trend which is important for any civilized state. This bloc includes not only six parties but also many members of the Government and local authorities, well known intellectuals and industrialists.

The President thinks that the opposition can not unite because of the absence of united ideas, and because of the dominance of their personal and party interests during the pre-election campaign. Levon Ter-Petrosyan stated that sooner or later the opposition will reach a classic way of cooperating with other political forces common to civilized countries. According to him, there should be three main political forces: liberal democratic, a serious socialist force which may be a social-democratic one if the circumstances demand, and nationalist forces. The nationalist force, the President assures, will never dominate.

However, today while choosing between the ruling officials and the political forces cooperating with them, the Armenians must realize that "our Constitution and elections are meant to provide stability and security in our country, continue the policy that is in process, maintain relationships with neighbors, attain a just solution of the NKR [Nagorno-Karabakh Republic] problem, rehabilitate the collapsed economy, and join the family of the civilized states."

Assembly Elections, Constitutional Referendum Under Way

LD0507112495 Moscow INTERFAX in English
0924 GMT 5 Jul 95

[FBIS Transcribed Text] YEREVAN, July 5 (INTERFAX) — As of 8:00 a.m. Wednesday [5 July] elections to the National Assembly (parliament) and referendum on the republic's new Constitution are underway in Armenia.

The Central Elections commission reported to INTERFAX that a total of 1939 candidates are in the lists of contenders for 190 seats in the new parliament. As many as 40 seats are planned for deputies elected on party lists and 150 — for those elected on majority system.

A total of 13 parties and party blocs, including the Respublika bloc headed by the ruling Armenian Popular Movement which has nominated 222 candidates participate in the elections on party lists.

In line with the law the term of authorities of the new parliament is four years. The elections are held on the basis of direct and general election right under a secret vote. Members of the government, employees of the prosecutor's office, of the state national security department, interior officers, military men and judges have no right to be nominated as candidates to the deputies.

Parties participating in the elections must collect not less than 5 percent of electors' votes in order to have their candidates in the parliament. Deputies mandates

will be distributed among the parties in proportion to the received votes.

The opposition hopes to receive about 40 percent in the future parliament and the authorities — not less than 80 percent.

A candidate who received the greatest number of votes in his electoral district, but not less than 25 percent of those who participated in the elections, is considered elected on the majority system.

According to the Central election commission, a total of 120 million drams were spent for the present pre-election campaign, that is about \$29,000.

International supervisors from the U.N., Russia, the United States, Germany, Great Britain, Canada, Switzerland, Netherlands, Norway, France, Cyprus, and other countries will control the course of elections.

As far as referendum is concerned, Armenian citizens are proposed to answer the following question: "Do you agree to the draft Constitution approved by the Supreme Soviet of the Republic of Armenia?" They can chose two versions of the answer, "yes" or "no." The draft of the Basic Law put to the referendum was prepared by the constitutional commission headed by Armenia's president and parliament chairman.

Status of Election Campaign Analyzed

954F2691B Moscow ROSSIYSKAYA GAZETA
in Russian 29 Jun 95 p 6

[Article by Vasilii Starov: "Communists Against 'Republic.' There Will Be Two Favorites in the Forthcoming Parliamentary Elections in Armenia"]

[FBIS Translated Text] And so on 5 July the first round of parliament elections will take place in Armenia. Actually, everything has been ready for them for a long time. Mainly on the purely institutional plane. With respect to a number of political and organizational parameters the republic National Assembly differs from the Supreme Council, which is losing its authority. According to the law adopted back in April, the term of office of the highest legislative organ will be reduced from five to four years and the number of deputies will be reduced from 250 to 190. Finally, for the first time in Armenian tradition there has appeared a combination of the majority and proportional electoral systems.

From now on 40 of the 190 deputies will be elected to parliament from party lists. But, as in Russia, only the parties that pass the 5 percent mark in voter sympathy will be able to count on dividing up the "proportional mandates." The question, naturally, is how many parties or associations there will be.

It is an interesting question, of course. The more so since, as many people think, the pre-election battles began in the political arena back in January. At that time the Supreme Court of Armenia, having carefully considered the decision of President Levon Ter-Petrosyan concerning suspension of the activity of the Dashnaksutyun Party, approved it. Taking into account that the "banned party" was actually the leader among the opposition political forces, this step brought about false interpretations.

But the report published by the Armenian special services at that time dotted many of the i's. And the major accusation in general sounded like a bomb had exploded: drug trafficking. According to the assertions, this was the criminal business in which the "underground" part of the Dashnaks was involved.

They had actually begun to use Armenia as a transit point on the route for moving drugs from Libya on to Western Europe and even the United States.

After arresting several drug couriers the Armenian authorities began, as they say, to dig deeper, and simultaneously in several apartments inhabited by the Dashnaksutyun they found in hiding places some extremely specific documentation: plans for creating combat detachments. As a result, conclusions were drawn concerning direct involvement by the opposition in subversive-intelligence activity, and the operations involving drugs apparently served to support actions of this kind.

Incidentally, according to available information, Russian military facilities in Armenia were objects of special attention for the "Dashnak intelligence operatives," and this circumstance placed the strategic goals of the especially active opposition in a completely different light.

In a word, there was nothing surprising in the fact that when registering the "participants in the pre-election race" the National Union Dashnaksutyun was left, as they say, out of the game. Although the official reason was the discovery of a large number of fake signatures on the signature sheets required for registration. In a word, the radicals were unlucky again. Here, to be sure, it must be noted that certain sheets were rejected by the Central Election Commission on the basis, for example, that the signatures were in the Russian language. So certain claims appear to be contrived at the very least.

Incidentally, to be registered for the numerous parties and associations certainly does not mean to end up among the chosen pre-election favorites. The more so since this group is extremely small. As Armenian analysts think, it includes communists and representatives

of the currently ruling party, the Armenian National Movement [AOD], the nucleus of the Republic association.

It can be assumed that Republic's chances are extremely great. Incidentally, the association's list submitted for elections according to the proportional system is headed by the speaker of the current Supreme Council, Babken Araktsyan. But the AOD and Republic are relying mainly on elections in single-mandate districts which include many republics of local administrative organs and people who are known and respected locally.

But, as has already become tradition in the CIS, the elections have been "cross-bred" with the nationwide referendum on the problem of adopting the new Constitution of Armenia. But the elections themselves and the referendum are separated by a number of extremely significant legal nuances. For while all it takes is for 15 percent of the voters to show up in order for the elections to be declared valid, in order to ratify the new Constitution it is necessary for 51 percent of the 30 percent of the registered voters who have shown up to say "yes."

Therefore a problem could arise if there are not enough votes for ratification of the new Constitution. And the new parliament would be forced to be guided by the previous Basic Law.

Minister Gives Press Conference on Defense Issues
NC0407052395 Yerevan NOYAN TAPAN in English
1209 GMT 3 Jul 95

["New Strategy of Armenian Defense Ministry Is To Prepare National Officer Staff and To Reinforce the Efficiency of Army"—NOYAN TAPAN headline]

[FBIS Transcribed Text] 03/07/95 NOYAN TAPAN — "The spring levy to the Armed Forces of Armenia was carried out by 113 percent. It is the best conscription in Armenia both in political, moral and quantitative aspect for the whole history of Armenia." This was reported by State Minister Vazgen Sargisyan at the July 1 press conference.

He underlined some particulars of the spring levy. In particular, the conscription plan was exceeded in a traditionally difficult region — the earthquake zone: in Gyumri by 105 percent, and in Vanadzor by 120 percent.

In Yerevan the plan was fulfilled by 112 percent.

For comparison the State Minister elicited the Russian example where the spring conscription plan was fulfilled only by 30-40 percent.

The next particular was that the spring levy was implemented by armed structures only and without interference of the police. In Sargisyan's opinion, one of the most favorable factors of its realization was the noticeable growth of consciousness of the draftees' parents.

The State Minister also pointed out that numerous statements to the effect that one or two compelled implementation of conscriptions would lead towards the failure of the further ones were not justified.

The fact that the number of deserters decreased was especially emphasized. At present there are approximately 240 ones, meanwhile this number constituted thousands in the past years. Lately the number of those draftees leaving Armenia has also fallen. Sargisyan said that the levy was to be delayed for several days in compliance with the agreement with the Ministry of Higher Education.

The term of military service of those drafted for three-month-long military gatherings was delayed by 1 month (till August 10). According to the State Minister, this will enable the draftees to fulfill the necessary three-month assemblies and only then to replace the reservists.

The State Minister announced the nullification of three-month assemblies of reservists. According to him, on account of the regulated system of military conscriptions and the cease-fire regime the necessity of running such arrangements has fallen off. "I do not expect resumption of military activities during the next 6 months", the State Minister stated. However, according to him, the realization of mobilization works will be continued. In particular, active implementation of the above-mentioned arrangement is scheduled for the end of 1995-the beginning of 1996. Works on reinforcing the mobilization reserve will be carried on at a new and higher level.

Sargisyan especially stopped at the staff issue. He reported that 500 cadets study in higher military educational institutions of other countries (95 percent of them study in Russian Federation) as well as in Yerevan military school. These cadres will man the army in two years.

In September of 1995 the Yerevan higher military school will receive the second flow of cadets.

Great attention will be paid to the development and expansion of a network of sergeant schools. According to the State Minister, training of qualified sergeants will help to fill in the gaps in the lower officer staff. At the same time, he voiced dissatisfaction over the preparation of officer cadres in higher education institutions of the Republic. According to him, this system is stale and

do not justify itself. A project is to be brought for the Government's consideration soon. According to this project, the graduates will receive officer ranks in the army.

It was also reported that the Defense Ministry has changed its strategy. According to Sargisyan, if earlier the greatest attention was drawn to the issues of social security and discipline nowadays the priority task is to heighten the level of military training. The next 6 months are the crucial in this aspect too.

Sargisyan reported that the Russian Government approved the draft "On development and reinforcement of the joint system of anti-aircraft defense" and a bilateral agreement on real and concrete actions is likely to be signed soon.

Speaking on recent staff changes in the Russian Government, Sargisyan pointed out that the Armenian Defense Ministry was not interested in Pavel Grachev's resignation. "Grachev's position on the issue of Armenian-Russian relations is quite favorable. As a commander and a politician he has precise beliefs which he never denies," Sargisyan stated.

The State Minister also touched upon the possibility and prospects of Republican Military Industrial Complex (MIC). He noted that the Armenian MIC will be able to provide 20-25 percent of the demands of the Armenian Armed Forces in several years. It is mainly connected with the production of rifle, anti-tank and optical types of armament as well as cartridges.

The State Minister evaded commenting on the "latest political events", saying that that issue had nothing to do with the topic of the press conference. Meanwhile, journalists expected that he would voice his attitude towards the reports by various mass media to the effect that he ordered to arrest several former officers of the Interior Ministry and that he himself beat them savagely. Another issue which was expected to be answered by the State Minister was the incident at the Yerevan Liberty Square on June 21, when some armed people this or that way connected with the army held a rally after which they skirmished with another group of participants of the rally organized by the opposition.

Nagorno-Karabakh Attains De Facto Self-Determination

LD0307172395 Moscow INTERFAX in English
1649 GMT 3 Jul 95

[From the "Diplomatic Panorama" feature: By Aleksandr Korzun, Igor Porshnev, and Yevgeniy Terekhov]

[FBIS Transcribed Text] YEREVAN, July 3 (INTERFAX) — Armenia's Deputy Foreign Minister

Vardan Oskanyan stated during a press briefing in Yerevan on Monday [3 July] that the self-proclaimed Nagorno-Karabakh Republic has attained de-facto self-determination.

"Karabakh is in full control of the external and internal situation," he said. "It's securely linked with Armenia which points to the correctness of the policy pursued during the previous years, and now this must be put on a legal footing by the Minsk conference," said Oskanyan.

In his opinion, the Minsk Conference must tackle the problem of Karabakh's political status. "National self-determination is a concept which suggests different solutions. If a variant suiting both conflicting parties - Azerbaijan and Nagorno Karabakh - is found, one of the main causes of the conflict will be done away with," said Oskanyan.

"It is extremely important that the Minsk Group looks at Karabakh as a party in the conflict," he went on to say. "Baku opposes this position, but the opinion of the international community is far more important in this case," he said.

He said Armenia will not change its policies regarding the Karabakh settlement. "For four years running we have been campaigning for the conclusion of a political agreement that would consolidate the ceasefire, in effect for more than a year, and make the peace process irreversible," he said.

He also confirmed Yerevan's readiness to render assistance to Stepanakert if need be. "This refers, in the first place, to the security of the Lachin corridor. Armenia has always helped Karabakh and will continue to do so, especially if its population's security comes under threat," said Oskanyan. "While ceasefire is in force, we shall channel our aid to the Karabakh economy," he said.

Azerbaijan

Aliyev Praises U.S. Policy in Message to Clinton

NC0307185295 Baku Azerbaijan Radio Televiziyasi
Television Network in Azeri 1600 GMT 3 Jul 95

[FBIS Translated Text] Azerbaijani President Geydar Aliyev has sent a congratulatory message to the U.S. President Mr. Bill Clinton. The message says:

Dear Esteemed Mr. President:

On my own behalf and in the name of the Azerbaijani people, I sincerely congratulate you and the entire friendly American people on the occasion of the 219th anniversary of the independence of the United States of America. Your great country is a symbol of freedom and

democracy all over the world, including in the young independent Azerbaijani Republic.

Availing myself of this opportunity, I wholeheartedly thank you for the care you have shown in the development of ties between the United States of America and the Azerbaijani Republic. Your proclaimed positions towards independent Azerbaijan is highly noble and just. Your support of the territorial integrity and sovereignty of the Azerbaijani Republic and of the democratic reforms we have undertaken has further strengthened our people's highly favorable disposition towards you and the United States of America.

I once again congratulate you on the occasion of your national holiday and wish happiness and prosperity to the friendly American people.

[Signed] Sincerely yours, Geydar Aliyev

Aliyev, Turkey's Demir Hold Talks in Bucharest

NC0307210795 *Baku Azerbaijan Radio Televiziya Television Network in Azeri* 1600 GMT 3 Jul 95

[FBIS Translated Text] [Begin recording] [Unidentified Correspondent] As we already reported, Azerbaijani President Geydar Aliyev met a number of presidents during his official visits to Bulgaria and Romania. One such meeting was with Turkish President Suleyman Demirel. They discussed a number of problems of mutual interest and exchanged views on regional and international developments.

[Demirel] As you know, Turkey and Azerbaijan are fraternal countries. The great Ataturk said that when Azerbaijan is sad we are sad too; if it is happy, we are happy too. We discussed the extremely good and fraternal ties existing between Azerbaijan and Turkey and developments in general with my dear brother Azerbaijan President Geydar Aliyev and his colleagues. Of course, as esteemed Aliyev already said at the meeting, the most important problem at present is that 25 percent of Azerbaijani territory is under occupation. Some 1.2 million refugees have been suffering from this situation for the last three years. They have already been experiencing great difficulties, and should not pass this winter away from their homes. They should be able to return to their homes. We discussed how this could be achieved. Of course, everybody should help Azerbaijan. This is a major humanitarian problem. Turkey will do everything it can in this regard. We discussed these issues.

[Correspondent] Esteemed Mr. President, Turkey and Azerbaijan are two states with a single people. Yet, so far Turkey's investments in Azerbaijan has been meager. Did you discuss this?

[Aliyev] As you know, there is always talk of the need to increase investments. However, investments are not everything. The important thing is that Turkey is a close, friendly, and fraternal country. It is the country that we most trust. Therefore, we hold consultations with the Turkish president, my friend and dear brother Suleyman Demirel, at various places whenever the opportunity arises. I have invited Suleyman Demirel to Azerbaijan. He promised to come, but so far he has not found the time. Nevertheless, we take opportunities to meet, talk and consult in such places.

Esteemed Suleyman Demirel already briefed you on the content of our talks. I have nothing to add to it. The underlying fact is that the Turkish people, Turkish society, and particularly the Turkish leaders, including Turkish President esteemed Suleyman Demirel, are as concerned about the present situation in Azerbaijan as we Azerbaijanis are.

The greatest cause of concern is the occupation of Azerbaijani territory and our citizens from these places are living in tents as refugees. This is truly intolerable. Therefore, we are seeking ways to solve this problem. We certainly want to solve the problem by peaceful means. I stated this at today's meeting. We are seeking ways, we are holding consultations and talks.

Our talks were very interesting, rich in content, and important. They were very useful for Azerbaijan. I am very pleased with this meeting, and I hope that our dialogue and talks will continue in hopes of extricating Azerbaijan from this grave situation. [end recording]

Government Explains APF Official's Death

NC0307212095 *Baku Azerbaijan Radio Televiziya Television Network in Azeri* 1600 GMT 3 Jul 95

[Statement by the Azerbaijani Office of Prosecutor, National Security Ministry, and Interior Ministry; date and place not given— read by announcer]

[FBIS Translated Excerpt] The Azerbaijani People's Front [APF] leadership has been recently disseminating provocative reports through various media to the effect that APF member Shakh Sultan Shahmardan Jafarov allegedly died because of lack of medical treatment. In this connection, Azerbaijani Office of the Prosecutor and the Interior and National Security Ministries consider it important to make the following announcement:

Shakh Sultan Shahmardan Muhammedoglu Jafarov, a resident of Sharur in Nakhichevan Autonomous Republic, headed the APF's armed detachment in Sharur District since 1990. He was appointed the commander of the National Security Ministry's border troops in Nakhichevan Autonomous Region [NAR] during the

APF's predominance, despite the fact that he had no relevant experience or training. During Shakh Sultan Jafarov's term as commander, information often was received by the law enforcement organs to the effect that he was involved in contraband trade, including arms smuggling and the sale of these arms to the PKK [Workers' Party of Kurdistan] engaged in terrorism in Turkey, in creating illegal armed detachments by abusing his authority and supplying them with arms and military equipment, which were used in committing various crimes. [passage omitted on additional charges against Jafarov]

Despite the institution of criminal proceedings against Shakh Sultan Jafarov in connection with his criminal activity, accompanied by nine members of his bandit detachment located in Keleki, he tried to enter the city of Nakhichevan on 17 June to carry out a number of terroristic and provocative acts against some people. However, due to the alertness of the law enforcement organs, Shakh Sultan Jafarov's bandit detachment was stopped in Irandagh region in Julfa region. Following an exchange of fire, Shakh Sultan Jafarov sustained serious bodily injuries. Enver Baghiroglu Baghirov, a member of the bandit detachment, was also injured.

The injured were taken to the central hospital in NAR and were given medical help. In keeping with the existing regulations and with doctors' permission, Shakh Sultan Jafarov was brought to Baku on 25 June and placed in the medical section of the No. 3 investigation ward. When his condition became graver, Shakh Sultan Jafarov was transferred to the reformatory section of the Health Ministry and a meeting of doctors was called with the participation of Professor Aliyev, the doctor of No. 5 city hospital; and Assistant Professors Pashayev and Mustafayev from the hospital in Sabuncu region. Following this consultation, intensive treatment of the patient was begun under Mustafayev's supervision. However, despite every effort, it was not possible to save the life of Shakh Sultan Jafarov, whose confessions would have been of special importance for the investigation of the crimes they committed and to uncover his criminal colleagues. These are the facts.

Those who in August 1992 bestowed the rank of major on Shamardan Jafarov, who was a mere driver in the police force and had no military or legal training, and those who appointed him commander of the Nakhichevan border troops actually laid the ground for his future tragedy. These same persons now bear the moral responsibility to Shakh Sultan Jafarov's soul and his kin.

Georgia

Shevardnadze Views Domestic, Foreign Issues

LD0307103995 Tbilisi IPRINDA in Russian
0830 GMT 3 Jul 95

[FBIS Translated Text] Tbilisi, 3 Jul — In his regular Monday radio interview on 3 July [Georgian State Council chairman] Eduard Shevardnadze focussed on certain economic issues.

He spoke highly about financial support that the International Monetary Fund had rendered to Georgia by allocating over \$157 million to the republic. This sum will help Georgia introduce the Georgian national currency - the lari - in the very near future and secure its internal convertibility, Shevardnadze said. It will also support and improve the Georgian economy as well as its energy system. E. Shevardnadze also mentioned the food aid offered by the European Union and other countries or international organizations. Georgia will get 30,000 tonnes of grain and 70,000 tonnes of fuel oil through aid.

Speaking of his meetings in Bucharest last week, E. Shevardnadze attached special attention to his talks with Russian deputy prime minister Oleg Soskovets and a team of power engineering experts from Russia. He said reassuring prospects have appeared for improving the country's energy system with Russia's assistance. He emphasized that, on the whole, comprehensive and cardinal assistance in restoring the energy system depends on Russia and on negotiations with that country. The Georgian head of state informed listeners that Germany rendered assistance in the restoration of the ninth power-generating unit at the Tbilisi thermal power station. He said that the Georgian energy department managed to fully provide a number of large towns of the country with electricity. However, in spite of this, many enterprises still do not run. A power shortage has been used by some as an excuse to stop work at enterprises.

E. Shevardnadze spoke about the difficulties some areas of the country are experiencing in the agricultural sphere (these were caused by heavy rains and hail during the past two or three weeks). He said there is a need to introduce a new agricultural policy in the country.

E. Shevardnadze acknowledged positive changes occurring in the country's heavy and light industries.

With regard to the resumption of operations at the Armenian nuclear power station, E. Shevardnadze said that on the one hand it is good because the population of a neighboring state will get its long-awaited electricity and their neighbors can also count on it. On the other hand, however, security, which should always be kept in

mind, could only be guaranteed by a firm control over the running of the nuclear power station, he added. In Shevardnadze's view, the issues relating to the operation of the nuclear power station and security should be discussed with Armenia at government level.

During the interview, E. Shevardnadze thanked Tbilisi police for exposing a subversive group (comprised of associates of the former Georgian president which had planned to blow up one of the biggest bridges in Tbilisi as well as carry out a number of other terrorist acts.

Shevardnadze: Abkhazia To Have Own 'Statehood'

LD0307190395 Tbilisi Radio Tbilisi Network
in Georgian 1700 GMT 3 Jul 95

[FBIS Translated Text] A meeting of the State Constitution Commission was held yesterday. After one-and-a-half months of heated debate the State Constitution Commission approved the draft Constitution. The draft, presented by the chairman of the Constitution Commission, was supported by 60 members of the commission, with four members against. Tomorrow, the chairman of the State Constitution Commission will refer the draft to the parliament for examination.

Our correspondent Tamar Topurashvili has interviewed Head of State Eduard Shevardnadze.

[Begin recording] [Topurashvili] The new Constitution speaks of a federal system in the country. Looking back at Georgian history, one can see that Georgia has always pursued policies aimed at the establishment of a centralized state. How can the present step be justified?

[Shevardnadze] If you look into it well, you will see that there is no contradiction. There is a certain degree of federalization. Federalization is a common characteristic of democratic states. At the same time, the draft Constitution contains guarantees that rule out the country's disintegration or increased activity by separatist movements. We have included regional division as one of the federal principles. However, this does not mean that there will be grounds for provincialism. When I propose something to parliament or to the people, I am always [word indistinct]. I propose the option that is best for Georgia today and tomorrow.

[Topurashvili] What will be the status of Abkhazia and Samachablo [South Ossetia] in the new Constitution?

[Shevardnadze] This has been included there. I do not think there is any controversy about Abkhazia's status. It will have its own statehood. However, responsibilities will be clearly divided. Such issues as defense, the border, monetary policy, roads, power engineering, and others should be the responsibility of the center. Other issues will be decided by the Republic of Abkhazia.

There will also be joint responsibilities that we will have to bear together. That is how I see it.

As for Samachablo, the situation is slightly more complicated there, because talks on its place in a single Georgian state have not yet begun.

[Topurashvili] Politicians in Georgia are fiercely debating the fact that the Russian bases are to remain here for 25 years. What is your position on this?

[Shevardnadze] The main thing for me is the restoration of Georgia's territorial integrity and the spread of our jurisdiction on the whole territory. The issue of the Russian bases in Georgia should be considered in the context of these aims. If this does not help solve the problem, then the whole idea is dead. There is such a provision [in the Russian bases agreement]. It says that Russia will get these bases if Georgia's jurisdiction is restored on its entire territory. If this happens and we return to Abkhazia and Samachablo, then, I believe, the presence of foreign troops, albeit for 25 years, is not a great (?disaster).

[Topurashvili] [passage indistinct]

[Shevardnadze] This is a different question. It should be negotiated. It may be the Russian or our currency, or there may be some other option. This is not the main question.

Of course, it is not easy to speak in terms of 25 years, but the restoration and reintegration of the country is our most desired objective. [end recording]

Security Service Denies Abkhaz Kidnapping Allegations

LD0207142295 Moscow INTERFAX in English
1313 GMT 2 Jul 95

[FBIS Transcribed Text] TBILISI, July 2 (INTERFAX) — The Georgian security service has denied the accusations of organizing in the Ghal District of Abkhazia of diversions and kidnapping, advanced against it by leader of the Abkhazian Security Service, Astamur Tarba. Tarba advanced his accusations recently in an interview with INTERFAX.

The statement of the Georgian security service, made public in Tbilisi on Sunday, says that "the service as a component part of the state, backs the peaceful political settlement of the conflict in Abkhazia, and, as distinct of the separatists, considers all legitimate inhabitants of Abkhazia the citizens of its country, and does not commit violence nor acts of diversion against them".

The statement contains an accusation against the Abkhazian "separatists" of banditry and kidnapping not only

in Abkhazia, but also in the Zugdidi District of Georgia, as well as of sea piracy.

New Abkhaz 'Foreign Minister' Appointed

LD0307161795 Tbilisi Radio Tbilisi Network in Georgian 1400 GMT 3 Jul 95

[FBIS Translated Text] According to the [Abkhaz] separatist mass media, personnel changes are continuing in the Ardzinba's administration. Abkhaz radio has reported that Leonid Lakerbaia has been appointed as so-called foreign minister in the separatist government.

It must be noted that over the past two years the Abkhaz separatists have established unofficial missions in Turkey, Istanbul [as heard], England, the United States, Germany, Benelux, France, Jordan, and elsewhere. The separatists are making extensive use of the services of Abkhaz and North Caucasian communities in the West.

In the last two years [Lakerbaia] has taken part in Georgian-Abkhaz talks in Sochi, Moscow, and elsewhere and, of course, holds strong anti-Georgian views.

Parliament Approves Resolution on Parliamentary Elections

LD0407212295 Tbilisi First Program Television Network in Georgian 1915 GMT 4 Jul 95

[FBIS Translated Text] The extraordinary session of the Georgian parliament ended a few minutes ago. Despite two days of consultation, the date for new elections could only be agreed late at night after a long debate. The parliament approved a resolution on elections to the Georgian parliament. Here is the text of the resolution:

Taking account of the fact that under Article 5 in Georgian law on state power, the mandate of the Georgian parliament expires on 4 November 1995, and new elections to the parliament should be called at least four months before the expiry of the mandate, and the fact that the constitutional commission has already approved the draft constitution of Georgia and referred it to the parliament for examination, the Georgian parliament resolves that:

1. by 26 July 1995 the parliament is to examine the constitution or the law defining the powers of the Georgian parliament, the president of the republic, and the Cabinet of Ministers;
2. by 3d August 1995 the laws on elections to the two-chamber parliament of Georgia and of the president of the republic are to be examined;
3. one chamber of the parliament of the Republic of Georgia, the Council of the Republic, is to be elected by the proportional electoral system, while the other

chamber, the Senate — on the basis of the majority electoral system;

4. elections to the parliament of the Republic of Georgia are to be held on 5 November 1995, and, providing the appropriate decision has been made, elections of the president of the republic are to be held simultaneously, in accordance with clauses 1 and 2 of this resolution;

5. the rules concerning the 1992 elections to the Georgian parliament are to be suspended; the mandate of election commissions is to be extended pending a decision by the parliament;

6. if the requirement in Clause 1 of this resolution is not met, the draft law defining the powers of the Georgian parliament, the president of the republic and the Cabinet of Ministers is to be put to a referendum; the referendum is to be held on 20 August 1995;

7. if the requisite laws are not approved, elections to the parliament are to be held in accordance with the rules of the 1992 parliamentary elections, taking account of the following amendments: the preference rule [as heard] and compensation lists are abolished, and only candidates from parties and electoral blocs which have secured not less than 5 percent of the total number of votes cast in the elections will become deputies.

New 'Popular Socialist Party' Outlines Aims

AU0307081995 Tbilisi THE GEORGIAN TIMES in Georgian 21-28 Jun 95 p 3

[Report by Giorgi Samaneli: "A Left Turn"]

[FBIS Translated Excerpt]

"Have We Not Already Had Enough of Socialism?"

After 1991, the word "socialism" became a taboo word and an obnoxious concept. Today, it is returning to the political scene with greater intensity. On 18 May, yet another party was registered in Tbilisi under the name of the Georgian Popular Socialist Party.

Giorgi Lortkipanidze, the new party's political secretary, points out that "in Europe, where various political forces traditionally coexist, no one is afraid of the word 'socialism.'" In his view, there effectively does not exist in Georgia a modern-type of influential left-wing force, as a normal political system has not yet been formed. It has been more or less possible to fill only the flanks on the left."

The appearance of a new political force oriented to the left should enable society to reflect anew, distance the concept of socialism from its specific historical associations, and see that, in itself, it does not after all

signify revolutionary destruction and dictatorship or the immobility of society and total deceit. On the contrary, the new times should see in its image business-like state construction, a readiness to cooperate, and the guarantee of stable development. In any case, this is what the new socialists are stating and time will show us to what extent they will achieve this in the conditions existing in Georgia. [passage omitted]

From this point of view, it is significant that the new party, whose chairman is Giorgi Khachapuridze, is proposing to us a thesis of general national consolidation: "We have all made mistakes to a greater or lesser degree. For the future prosperity of Georgia, let us rise above ourselves and avoid the mistakes of the past." In this way, the new socialists want to appear to Georgian society as an integrated force.

The party's constituent congress decided to act to form a center-left type of strong political movement in Georgia. Its aim will be the real convergence (*rapprochement*) of a market economy and socialism, a reformist path — the search for such means that will ensure assistance and a high level of employment for those who are socially unprotected through legislation; the movement will support a strong state power that is able to manage (it would probably be better to say "direct") economic processes using democratic mechanisms in such a way as to create the possibilities of a worthy and normal life for the different strata of society. In the final analysis, this is all directed toward changing the ideological climate in the country. [passage omitted]

Estonia**Meri Lauds Parliament's Approval of Aliens Law***WS0407104595 Tallinn BNS in English
1833 GMT 3 Jul 95*

[FBIS Transcribed Text] Tallinn, Jul 03, BNS — Changing the aliens law means that the parliament evaluated the situation realistically, Estonian President Lennart Meri told BNS.

"I believe that anything based on a realistic evaluation of the situation is conducive to good politics," the president stressed.

The amendments to the aliens law the parliament passed on June 27 give the government the right to establish within four months a special procedure for accepting residence permit applications from the non-citizens who fail to apply before the deadline stipulated by the law, July 12.

"I would have liked to see what Estonia would have done with all those who are people according to all characteristics, yet whom nobody can classify politically or juridically," Meri said.

Meanwhile, the amendments strip late applicants of the right to vote in local elections this fall.

The president has until July 7 to proclaim the amendments to the aliens law.

Prime Minister on New Economic Policy*LD0407195195 Moscow INTERFAX in English
1919 GMT 4 Jun 95*

[FBIS Transcribed Text] TALLINN, July 4 (INTERFAX) — Estonia's government is drawing up a new economic policy in which saving labor, material resources and energy and curbing inflation will be the basic principles, Prime Minister Tiit Vahi said Tuesday [4 July].

The future policy will underlie a budget the government will propose for next year, Vahi told a news conference.

He said the government planned to cut inflation from today's 2% to 3% a month to a monthly 1% in 1996 and to an annual rate of between 2% and 3% in 1997.

The new policy will mean changes in the taxation system as well, the premier said. Some of the taxes that today come into the national treasury will go to local treasuries.

Due to a crackdown on crime, the draft budget for 1996 will propose greater expenditure for law enforcement agencies and the judiciary.

Expenditure on education is also to be increased, Vahi said.

Consensus Said Reached at Meeting of Party Leaders*WS0407104795 Tallinn ETA in English
2011 GMT 3 Jul 95*

["News Release"]

[FBIS Transcribed Text] Tallinn, July 3 — After today's fourth summit meeting of the leaders of Estonian parties, a consensus was reached practically in all the disputed points, press service of the Centre Party told ETA on Monday.

The main topic of discussions was making amendments to the law on parties. A group of representatives from six Estonian parties had been formed on June 10 during the last meeting and now the amendments proposed by the group were looked over at the summit. Practically in all the disputed points a consensus was reached.

The work on making amendments into the law on parties will continue and the bill will be presented for the parliament's ratification in the autumn.

Latvia**Prime Minister Meets With NATO Commander***LD3006170795 Riga Radio Riga Network in Latvian
1300 GMT 30 Jun 95*

[FBIS Translated Text] It is possible that new members could be admitted to NATO as early as next year, General George Joulwan, NATO's supreme allied commander Europe, said at a meeting with Prime Minister Maris Gailis today. However, he added that criteria, according to which new members would be admitted, were not yet clear. According to the supreme commander, each country will have to coordinate its demands with resources at its disposal. In order to prepare for admission to NATO, Latvia would have to draft a development plan for its armed forces for several years and to set priorities for the development.

George Joulwan also visited the training base of the Baltic peacekeeping battalion at Adazi. At a news conference, he stressed the following:

[Begin recording] [Joulwan in English with superimposed Latvian translation] I was particularly satisfied with my trip — my visit to the Baltic battalion — which, as you know, includes army units from Latvia, Estonia, and Lithuania. I am very pleased that Latvia not only participates in the Partnership for Peace program, but that such a regional structure has also been created within the Partnership for Peace.

I have already congratulated both Colonel Juris Dalbins, and our prime minister and president on what we have achieved over this time [sentence as heard]. What I would like to stress particularly is that it is important that there are good relations, not only between Latvia and NATO, but also between Latvia, its neighboring states, and NATO. [end recording]

Preparations for Partnership for Peace Exercises

MM0407132795 Moscow KRASNAYA ZVEZDA
in Russian 4 Jul 95 p 3

[Report by Valeriy Gromak: "Latvians Prepare for Exercises"]

[FBIS Translated Text] Military exercises will be held in Louisiana within the framework of the Partnership for Peace program 6 through 27 August. Servicemen from the Baltic countries will be taking part in them for the first time.

The Latvian Army is now selecting the cream of its men for the trip to the United States. The Latvian platoon, which will be collaborating with Canadian, U.S. and Kyrgyz platoons during the exercises, will comprise 25 officers, instructors, and soldiers from the Suzhskiy [as transliterated] reconnaissance battalion, 10 cadets from the national defense academy, and five people's militiamen.

Premier Comments on Border Dispute With Estonia

WS0407111895 Tallinn BNS in English
1704 GMT 3 Jul 95

[FBIS Transcribed Text] Riga, July 03, BNS — Latvia and Estonia could settle the dispute on sea border issues until the 6th Saeima (parliament) elections, Latvian Prime Minister Maris Gailis said Monday at a press conference.

As reported, the elections will take place at the end of September.

Baltic prime ministers met in Vilnius on June 30. Gailis said that, in talks with Estonian Premier Tiit Vahi, an agreement was reached on dividing the Riga Gulf basing on the 1982 U.N. Sea Rights Convention. Unlike Estonia's previously determined sea border, this time the Ronu (Ruhnu in Estonian) island will not be considered as a part of the archipelago, belonging to Estonia.

In bilateral talks with Estonia, Latvia gave up its previous demand to determine the Riga Gulf as interior waters which, according to the agreement, could be jointly managed by both the states.

In turn, Estonia receded from its former position which provided for unilaterally and by law determined sea

border, said Gailis. Estonia has agreed to involve also international experts in solution of the problem.

Gailis expressed hope that it will be possible to agree with Lithuania on determination of the economic sea zone without mediation of the third party.

Lithuania

Latvian President Begins Visit, Meets Brazauskas

LD0507101095 Riga Radio Riga Network in Latvian
0900 GMT 5 Jul 95

[FBIS Translated Text] Latvian President Guntis Ulmanis and our state delegation began an official state visit to Lithuania today. The delegation includes representatives of the ministries of transport, economy, and foreign affairs, as well as representatives of the parliament.

Talks between Guntis Ulmanis and Lithuanian President Algirdas Brazauskas are currently underway. The presidents are discussing relations between the two countries and cooperation between the Baltic states. The two presidents exchanged ratified agreements on the restoration of the border between Latvia and Lithuania.

Afterward, Ulmanis will address the Lithuanian Seimas and will meet Parliamentary Speaker Ceslovas Jurseenas.

In addition, the Latvian president is planning to meet Latvians living in Lithuania today. He will also take part in the official opening of a new building of the Latvian Embassy. Wide talks with the head of the Lithuanian Government, Adolfas Slezevicius, have also been scheduled for Guntis Ulmanis for 6 July.

The Latvian delegation will also visit Kaunas and lay a wreath for Lithuanian independence fighters at the Vilnius television tower.

No Result in Talks With Russia on Maritime Border

LD3006162195 Vilnius Radio Vilnius Network
in Lithuanian 1100 GMT 30 Jun 95

[FBIS Translated Text] An agreement to prepare draft agreements on the maritime border has been reached at the meeting of the Lithuanian and Russian negotiation teams discussing the issue of the delimitation of the maritime border, the economic zone, and the continental shelf.

As reported, a three days session of negotiation was held by delegations headed by Rimantas Sidlauskas, secretary of the Lithuanian Foreign Ministry, and Russian Ambassador Yuriy Sholmov [name and title as heard] in Vistytis, in a small town not far from the Kaliningrad region.

The Lithuanian Foreign Affairs Ministry Press and Information Department reported that proposals were exchanged at the negotiations on how the Lithuanian and Russian maritime areas in the Baltic Sea can be delineated.

Meanwhile, in an interview to BNS, Sidlauskas said that the negotiations were not very fruitful. No results that I would like to report to the public have been achieved at the negotiations, the Foreign Ministry secretary said.

European Bank To Aid Klaipeda Modernization

LD0307203495 Moscow INTERFAX in English
1952 GMT 3 Jul 95

[FBIS Transcribed Text] VILNIUS, July 3 (INTERFAX) — The European Investment Bank will give Lithuania a credit worth 14 million ECU for modernizing the Klaipeda sea port.

The Bank's Vice-President Wolfgang Roth and Lithuanian Finance Minister Reinoldijus Sarkinas signed a corresponding agreement in Vilnius today.

Sarkinas told a press conference after the signing ceremony that the credit would be given for 18 years.

Roth said that the credit's repayment would start in five years' time.

He said the interest rate for the credit had not yet been determined. Roth said that if the credit was given in dollars the annual interest rate would be about 6.7%-7% and if in German marks, then somewhat higher.

Lithuanian Deputy Minister for Communications Algirdas Sakalys said at the same press conference that the credit would be spent on constructing the transit container terminals of the sea port.

The project costs a total of 29.2 million ECU. Lithuania expects to receive not only the European Investment Bank's credit but also a European Union grant worth 5 million ECU. The sea port's administration will finance the rest of the expenditure.

Lithuania will receive the first tranche of the European Investment Bank's credit by the end of this year.

The construction of the Klaipeda sea port is scheduled to be completed in three years from the beginning of the financing.

The agreement on the credit must undergo ratification by the Lithuanian parliament.

The European Investment Bank gave Lithuania a credit worth 10 million ECU in September 1994 for modern-

izing the Vilnius airport. In April 1995 the European Investment Bank concluded an agreement on giving to the Lithuanian Development Bank a credit worth 5 million ECU for financing small and medium-sized businesses.

Landsbergis Denounces Call for Bank Withdrawals

WS0407111995 Tallinn BNS in English
1704 GMT 3 Jul 95

[FBIS Transcribed Text] Vilnius, Jul 03, BNS — Lithuanian opposition leader Vytautas Landsbergis on Monday blasted an ultra-rightist organization for urging people to take back their deposits from all of the country's banks, saying it was a "destructive action."

It is well known that the present government is corrupt, but only "real extremists" can propose such a threatening measure as to take back all deposits, Landsbergis told a news conference Monday. He was commenting on statements made by the Lithuanian Freedom League.

The league plans to hold a rally of "Last Hope" in front of the parliament in Vilnius on Tuesday and has invited everyone who has suffered from the government, banks and law enforcement institutions to attend.

Landsbergis said he believed the protest's organizers did not fully realize what would be the consequences of a "bank panic."

The opposition leader noted that Latvia's independence and sovereignty face a major threat because of a crisis in the country's banking system. Latvian leaders have said that the crisis was a deliberate action and they are most probably right, he added.

Landsbergis pointed out that Communist ideology is based on the need to destroy "bad capitalist values" through banking and financial systems.

The opposition leader also said that well-known Russian astrologer Pavel Globa predicts a complete collapse of banks in Latvia immediately before the parliamentary elections, which are to be held in fall. As a result, Communists will come to power in Latvia, according to Globa.

Landsbergis said the astrologer's prophecies should be regarded as a source of information because "he probably knows some kind of calculations."

"It is a long-standing forecast that the Baltic front will be broken in the middle — in its weakest spot," Landsbergis said.